

INDONESIA'S TRANSITION AS AN EMERGING DONOR: THE CASE OF INDONESIAN AID IN SDG-RELATED SECTOR

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ABSTRACT

This article examines how and why Indonesia has transitioned toward an emerging donor role in South-South Cooperation through Indonesian AID programs in SDG-related sectors. While existing studies have discussed Indonesia's South-South Cooperation or foreign aid motives, less attention has been given to how Indonesian AID reflects a broader transition within the contemporary South-South Cooperation landscape. Using a qualitative single case study design and desk review covering the period from 2015 to 2025, this article analyzes policy documents, regulations, institutional reports, gray literature and academic studies. The findings show that Indonesia's transition occurred through the institutionalization of Indonesian AID, which provides the funding mechanism, legal framework and program modalities for a more organized donor provider role. Indonesian AID programs thus demonstrate how SDG-related sectors serve as the empirical site of this transition. The shift is driven by Indonesia's rising international status, institutional learning from earlier SSC limitations, the SDGs as a global development framework and strategic adaptation between solidarity and national interests. However, this emerging donor role remains incomplete due to broad sectoral dispersion, uneven monitoring and evaluation, limited impact measurement and continuing tension between SSC principles and strategic objectives. The article contributes to debates on South-South Cooperation by showing that the emerging donor transition is gradual, institutional and still contested.

Keywords: South-South cooperation; Indonesian AID; SDGs; emerging donor; foreign aid

TRANSISI INDONESIA SEBAGAI EMERGING DONOR: STUDI KASUS INDONESIAN AID DALAM BANTUAN LUAR NEGERI DI SEKTOR SDGS

ABSTRAK

Artikel ini mengkaji bagaimana dan mengapa Indonesia bertransisi menuju emerging donor dalam Kerja Sama Selatan-Selatan melalui Indonesian AID. Dengan menggunakan desain studi kasus dan desk review pada periode 2015 hingga 2025, artikel ini menganalisis dokumen kebijakan, regulasi, laporan kelembagaan, gray literature, dan kajian akademik. Temuan menunjukkan bahwa transisi Indonesia terjadi melalui institusionalisasi Indonesian AID yang menyediakan mekanisme pendanaan, kerangka hukum dan modalitas program bagi peran pemberi bantuan yang lebih terorganisasi. Program Indonesian AID menunjukkan bahwa sektor-sektor terkait SDGs menjadi arena empiris dari transisi tersebut. Pergeseran ini didorong oleh meningkatnya status internasional Indonesia, pembelajaran kelembagaan dari keterbatasan SSC sebelumnya, SDGs sebagai kerangka pembangunan global, serta adaptasi strategis antara solidaritas dan kepentingan nasional. Namun, peran emerging donor ini masih belum sepenuhnya terkonsolidasi karena cakupan sektor yang luas, monitoring and evaluation yang belum merata, keterbatasan pengukuran dampak, serta ketegangan yang terus berlangsung antara prinsip-prinsip SSC dan tujuan strategis negara. Artikel ini berkontribusi pada perdebatan mengenai Kerja Sama Selatan-Selatan dengan menunjukkan bahwa transisi emerging donor berlangsung secara bertahap, institusional dan penuh kontestasi.

Kata kunci: kerjasama Selatan-Selatan; Indonesian AID; SDGs; emerging donor; bantuan luar negeri

INTRODUCTION

The approaching 2030 deadline for the Sustainable Development Goals (SDGs) has intensified debate on the future of development cooperation. Many developing countries continue to face difficulties in achieving the SDGs because of the combined effects of the COVID-19 pandemic, rising inequality, climate pressures and geopolitical instability (Mahler et al., 2022; Martín-Blanco et al., 2022; Wang & Huang, 2021; Zhao et al., 2022). In this

context, cooperation remains necessary, yet the form of cooperation has become increasingly contested. Unequal vaccine distribution during the pandemic, for example, renewed attention to South-South Cooperation (SSC) as a framework that is often viewed as more responsive to the needs, priorities and policy space of developing countries (Banik & Mawdsley, 2023). This situation has strengthened interest in cooperation models associated with ownership, flexibility and shared devel-

opment experience (Muhr, 2022; Wiegratz et al., 2023).

This renewed attention to SSC raises an important analytical question: who is shaping the contemporary SSC agenda, and through what institutional mechanisms? Earlier studies often emphasized SSC as a project of solidarity, sovereignty and collective self-reliance among developing countries (Gray & Gills, 2016). More recent studies, however, show that SSC has also become more pragmatic, institutionalized and connected to economic diplomacy, development partnerships and triangular cooperation with actors from the Global North (Banik & Mawdsley, 2023; Janus et al., 2014; Kragelund, 2015; Mawdsley, 2019).

This development creates a conceptual tension. SSC continues to be presented through the language of equality and solidarity, yet its implementation often reflects strategic interests and uneven levels of influence among Southern actors. The key issue, therefore, is how specific Global South countries transform their role within the existing SSC landscape.

Indonesia here provides an important case for examining this transformation. Historically, Indonesia has positioned itself as part of the Global South and has linked its international identity to the 1955 Asian-African Conference in Bandung with a foreign policy tradition that emphasizes independence, peace and social justice (Apresian, 2017; Azis, 2025; Dzikri, 2020; Rozy, 2020; Triwibowo et al., 2025).

However, Indonesia's contemporary role in SSC can no longer be explained only through historical symbolism. Over time, Indonesia has moved from a recipient-oriented position toward a more active provider role through the establishment of Lembaga Dana Kerja Sama Pembangunan Internasional, commonly known as Indonesian AID, in 2019 (Azis & Satriawangsa, 2024; Dalyono et al., 2025; Helmys & Irawan, 2023). This institutional development shows that Indonesia's SSC role is increasingly organized through a formal institution, dedicated funding mechanisms and foreign aid programs directed to other developing countries.

At the same time, existing literature on Indonesia's SSC remains fragmented. Some studies explain Indonesia's SSC through economic diplomacy and national interest (Azis & Satriawangsa, 2024; Triwibowo et al., 2025). Others focus on regional dynamics, especially the South Pacific, where Indonesian aid intersects with political, security and diplomatic interests (Aryani & Hapsari, 2021; Wardhani & Dugis, 2020). Other studies

have also discussed Indonesia's SSC in relation to post-pandemic recovery, sectoral cooperation or the SDGs (Djarwono et al., 2025; Hastira, 2025; Hutabarat, 2023; Niman, 2022; Suhafid et al., 2025).

These studies are valuable, yet they tend to examine Indonesia's SSC through separate lenses. As a result, they have not fully explained how Indonesian AID programs in SDG-related sectors reflect Indonesia's role transition as an emerging donor within the South-South Cooperation landscape.

This article, hence, addresses that gap by asking: how and why has Indonesia transitioned toward an emerging donor role in South-South Cooperation through Indonesian AID programs in SDG-related sectors? To respond to that question. This article argues that Indonesia's South-South Cooperation has undergone a role transition from symbolic solidarity and fragmented technical assistance toward a more institutionalized emerging donor actor. This transition is visible through Indonesian AID, which functions as the main institutional mechanism for organizing Indonesia's foreign aid programs in SDG-related sectors. The shift is driven by Indonesia's changing international status, institutional learning from earlier SSC limitations, the growing relevance of the SDGs as a global development framework and Indonesia's effort to align solidarity-based cooperation with strategic national interests.

To outline that line of argumentation, this article is structured as follows. After this introduction, the article explains the research method. The results and discussion section is hence organized into four parts. The first part explains how Indonesia's shift occurred through Indonesian AID. The second part examines SDG-related sectors as the empirical site of Indonesia's role transition. The third part explains why the shift occurred. The fourth part discusses the theoretical implications for South-South Cooperation and emerging donor studies. The final section then concludes the article.

Furthermore, the analytical framework of this article integrates three concepts: South-South Cooperation, emerging donors and role transition. First, South-South Cooperation is used to explain the normative and historical basis of Indonesia's development cooperation. In this article, SSC refers to cooperation among developing countries based on solidarity, equality, mutual benefit, demand-driven cooperation, respect for sovereignty and knowledge sharing. This concept is important for understanding that Indonesia's foreign aid programs are presented as cooperation among coun-

tries of the Global South, even when Indonesia performs a provider role.

Second, the concept of emerging donor is used to explain Indonesia's changing actor category. Indonesia is still part of the Global South, yet it increasingly provides foreign aid and development assistance to other developing countries. This position reflects a broader shift in the global development landscape, where the categories of donor and recipient have become less fixed and where developing countries can act as providers of development cooperation while still facing domestic development challenges.

Third, role transition is used to analyze the process through which Indonesia's position changes. In this article, role transition refers to Indonesia's movement from symbolic SSC supporter and fragmented technical cooperation provider toward a more institutionalized emerging donor in South-South Cooperation. This transition is observed through three dimensions. The first is institutionalization, which is seen through Indonesian AID as the main institutional mechanism. The sec-

ond is programmatic practice, which is seen through Indonesian AID programs in SDG-related sectors. The third is limitation, which is seen through broad sectoral dispersion, uneven monitoring and evaluation, limited impact measurement and the continuing tension between solidarity-based cooperation and strategic national interests.

METHOD

This study uses a qualitative approach and adopts a single case study design (Yin, 2015, 2018). This design fits the article's aim of explaining how and why Indonesia's role in South-South Cooperation evolved during the SDG period. A single case allows the analysis to connect role change, institutional reform and development strategy within one bounded setting. The study covers the period from 2015 to 2025. This period begins with the SDGs, includes the 2019 regulatory reforms and the establishment of Indonesian AID and captures the post-pandemic recovery phase.

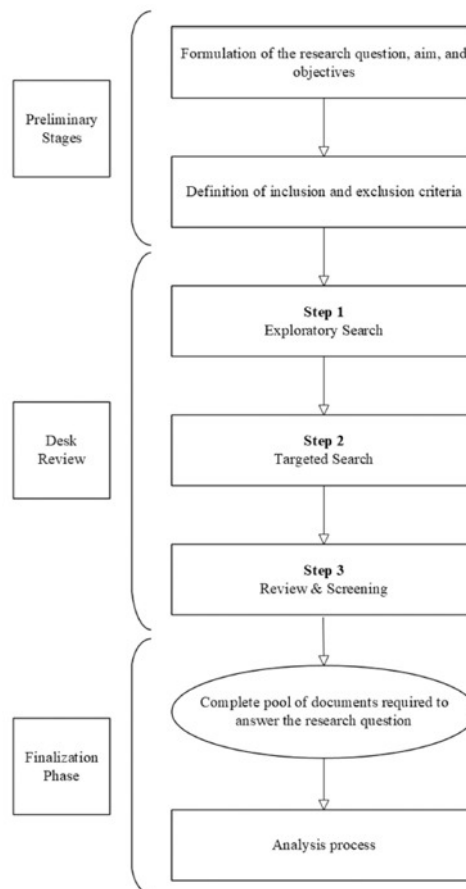


Figure 1. Stages for conducting a desk review

Source: Barbieri et al., (2025)

The main data collection method is desk review (Barbieri et al., 2025). This approach is appropriate because key evidence on Indonesia's South-South Cooperation is dispersed across legal documents, ministerial regulations, annual reports, institutional publications, gray literature and academic studies. The dataset, therefore, includes five categories of material. Policy and legal documents, official institutional records, gray literature, secondary academic literature on South-South Cooperation and supporting documentary materials, such as official statements and public institutional publications.

Materials were included when they met at least one of three conditions. First, they addressed Indonesia's South-South Cooperation policy, institutional development, or donor practices. Second, they discussed Indonesia's role in relation to international development, foreign grant provision, or the SDGs. Third, they contained direct evidence on coordination mechanisms, legal reforms, program modalities, or institutional performance between 2015 and 2025. The desk review was conducted through three iterative stages adapted from Barbieri et al. (2025): exploratory search, targeted search, and review and screening (see Figure 1 & Figure 2).

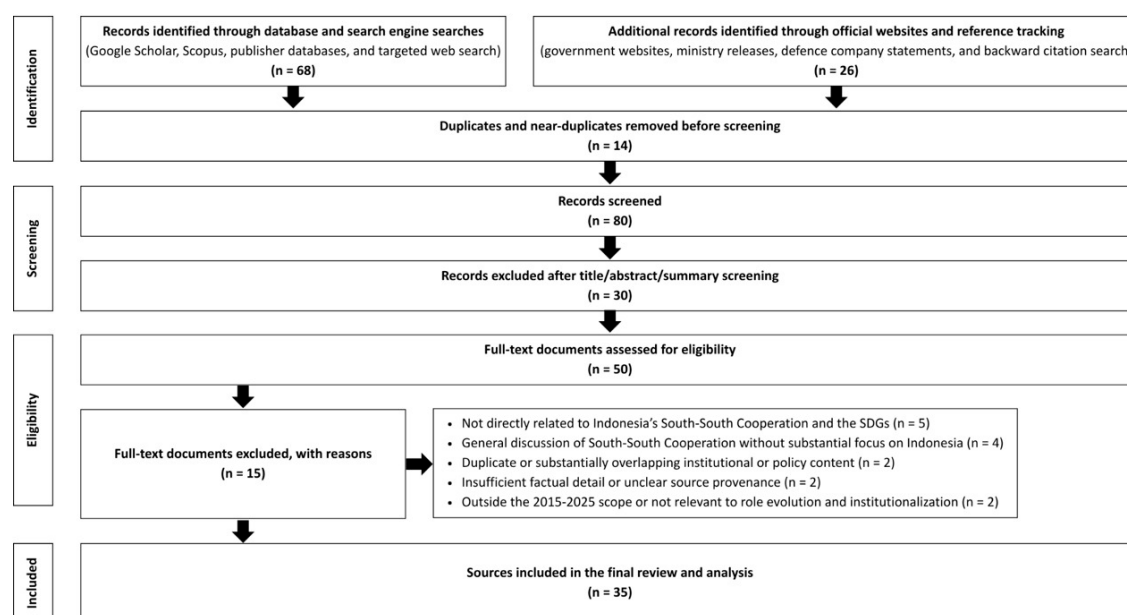


Figure 2. Documents screening process

Source: Author (2026)

For analysis, the study uses thematic analysis following Braun and Clarke (2006), operationalised through Byrne's (2021) worked example of reflexive thematic analysis. This method is suitable because the article seeks to interpret recurring patterns across documentary material (Ahmed et al., 2025; Naeem et al., 2023).

Following Byrne, coding and theme development were treated as active interpretive processes. The analysis followed six recursive steps: familiarization with the dataset, generation of initial codes, clustering of related codes into candidate themes, review of themes against the dataset, refinement and definition of themes, and development of the final interpretive narrative.

The coding process was mainly theory-informed, since the analytical framework guided attention to politically and institutionally meaningful

patterns, while remaining open to new interpretations emerging from the documents. To strengthen credibility, the study used source triangulation across regulations, official reports, institutional publications, and secondary literature.

To set a ceiling, this method also has limitations that the author would acknowledge. Many official documents, annual reports, and institutional publications present Indonesia's South-South Cooperation from the perspective of the state, which may emphasize achievements, formal commitments and policy success.

This study addresses this limitation by treating official sources as policy narratives and institutional evidence. The analysis, therefore, triangulates government documents with academic literature, gray literature and critical studies on Indonesia's foreign aid, especially works that discuss

strategic interests, symbolic claims, coordination problems and monitoring limitations. This reflexive approach allows the study to use official documents for identifying institutional mechanisms and program patterns while still maintaining analytical distance from state-centered claims.

RESULTS AND DISCUSSION

How the Shift Occurred: Indonesian AID as the Institutional Mechanism

Indonesia's transition toward an emerging donor role in South-South Cooperation occurred through the institutionalization of Indonesian AID. Before its establishment, Indonesia had a long record of technical cooperation, training and capacity-building programs for other developing countries. These activities, however, were dispersed across ministries and implemented through separate institutional channels in which limited sustained programming, financial coordination and systematic evaluation.

An earlier effort to improve coordination came through the National Coordination Team for South-South and Triangular Cooperation, established in 2010. It brought together the Ministry of Foreign Affairs, Ministry of Finance, Ministry of State Secretariat and Ministry of National Development Planning/Bappenas. The arrangement provided an inter-ministerial platform for SSC at a time when Indonesia's middle-income status and the adoption of the SDGs increased expectations for a more active development cooperation role (National Coordination Team of South-South Cooperation, 2016).

Nevertheless, SSC remained an additional responsibility for participating ministries instead of

the core mandate of a dedicated aid institution. Programs continued to operate through different administrative procedures, sectoral priorities and reporting systems. Within that landscape, Pamasiwi and Arsyani (2020) identify three related problems: limited human and financial resources, unresolved budget-tagging issues and weak coordination between the National Coordination Team and implementing ministries. These weaknesses complicated efforts to consolidate Indonesia's cooperation activities within a single national development cooperation agenda.

Financing measures also present a similar problem. Assistance was often supported through sectoral ministry budgets or development partners, which allowed training, workshops and technical assistance to continue but made financial tracking and long-term planning more difficult. Consequently, the earlier system was more suited to short-term activities than multi-year cooperation and systematic measurement of development outcomes.

These limitations encouraged a sequence of legal and administrative reforms between 2018 and 2020 (see Table 1). Government Regulation No. 48 of 2018 established the initial framework for providing grants to foreign governments and institutions. Government Regulation No. 57 of 2019 subsequently introduced greater flexibility in foreign grant management and enabled a dedicated fund management unit under the Public Service Agency model. Minister of Finance Regulation No. 143/PMK.01/2019 hence formalized Indonesian AID's organizational structure with the Foreign Ministry regulations afterward clarifying policy direction and priority setting.

Table 1. Key Regulations Underlying the Establishment of Indonesian AID, 2018-2020

Regulation	Year	Main Function	Contribution to the Establishment of Indonesian AID
Government Regulation (PP) No. 48	2018	Established the general procedures for providing grants to foreign governments and foreign institutions	Laid the initial legal foundation for Indonesia's foreign grant system
Government Regulation (PP) No. 57	2019	Amended PP No. 48/2018 to make the system more flexible, effective, and efficient	Created the legal basis for a dedicated fund management unit with Public Service Agency flexibility, which enabled the establishment of Indonesian AID
Minister of Finance Regulation No. 143/PMK.01/2019	2019	Defined the organizational structure, working mechanisms, and internal functions of Indonesian AID	Operationalized Indonesian AID as a formal institution under the Ministry of Finance and clarified its administrative architecture

Regulation	Year	Main Function	Contribution to the Establishment of Indonesian AID
Foreign Ministry Regulation (Permenlu) No. 11	2019	Set the medium-term policy direction for foreign grants	Provided the initial strategic direction, principles, and priority areas for Indonesia’s foreign grant policy
Foreign Ministry Regulation (Permenlu) No. 12	2019	Regulated the procedures for grant submission	Clarified how foreign grant proposals were to be proposed and processed institutionally
Foreign Ministry Regulation (Permenlu) No. 15	2020	Revised Permenlu No. 11/2019	Updated and strengthened the strategic direction, priority regions, and objectives of Indonesia’s foreign grant policy
Foreign Ministry Regulation (Permenlu) No. 16	2020	Revised Permenlu No. 12/2019	Refined the procedures for submission and assessment of grant proposals through relevant working groups
Foreign Ministry Regulation (Permenlu) No. 17	2020	Regulated monitoring, evaluation, and reporting procedures for foreign grants	Strengthened accountability, oversight, and performance measurement in Indonesia’s foreign grant system

Source: Author (2026)

The establishment of Indonesian AID in 2019, therefore, became the clearest institutional marker of Indonesia's role transition. Located under the Ministry of Finance and operating as a Public Service Agency, Indonesian AID manages the International Development Cooperation Fund and uses investment returns to finance grants to foreign governments and institutions. By the end of 2024, it managed Rp9.26 trillion, comprising an Rp8.039 trillion endowment fund and Rp1.22 trillion cash balance, while Rp671.87 billion in grants had been distributed to more than 80 partner countries (Dalyono et al., 2025).

Its governance structure also strengthened coordination. Indonesian AID operates under a Steering Committee consisting of the Minister of Finance, Minister of Foreign Affairs, Minister of National Development Planning/Head of Bappenas, and Minister of State Secretary. This structure connects fiscal authority, foreign policy, development planning and state administration while allowing ministries, state-owned enterprises, universities, private actors and development partners to participate in implementation.

Indonesian AID also expanded the modalities through which Indonesia performs its provider role. These include grants, scholarships, training, expert dispatch, goods and services, infrastructure support and humanitarian assistance (Dalyono et al., 2025). The combination of dedicated financing, centralized grant management and multiple program

modalities gives Indonesia a more organized basis for delivering development cooperation.

Its significance also extends beyond administrative reform. Indonesian AID enables Indonesia to organize foreign assistance as part of a broader development cooperation agenda while continuing to use the principles and language of SSC. The shift, therefore, occurred through institutional consolidation: a previously dispersed set of technical cooperation activities became a more structured foreign aid mechanism with clearer funding, governance, and implementation arrangements.

SDG-Oriented SSC as the Empirical Site of Role Transition and Its Limitations

Indonesian AID makes Indonesia's emerging donor role institutionally visible while its programs show how this role operates in practice. The SDGs, here, provided a development framework covering health, education, agriculture, environment, governance, energy, infrastructure and humanitarian response. In this sense, the SDGs function as a programmatic framework for Indonesia's SSC (Virginita et al., 2023).

As for the numbers, between 2020 and 2024, through Indonesian AID, Indonesia distributed around Rp671.87 billion across six main sectors, as shown in Table 2. The distribution demonstrates the range of aid modalities that Indonesian AID has granted.

Table 2. Distribution of Indonesia's Foreign Grants by Sector, 2020-2024

Sector	Total Allocation (Rp billion)	Share of Total (%)	Goods and Services	Construction and Renovation	Training	Scholarships	Dispatch Expert
Health	379,14	56,40	276,34	97,43	5,37	0,00	0,00
Environment	89,06	13,30	20,37	62,65	6,04	0,00	0,00
Governance	84,70	12,60	35,80	0,00	48,90	0,00	0,00
Agriculture	63,51	9,50	11,17	7,59	37,99	0,00	6,76
Education	44,76	6,66	3,00	22,23	0,00	19,53	0,00
Energy	10,70	1,60	0,00	0,00	10,70	0,00	0,00
Total	671,87	100,00	346,68	189,90	109,00	19,53	6,76

Source: Dalyono et al. (2025)

Table 2 shows that Indonesian AID combines material assistance, infrastructure support, training, scholarships and expert dispatch. Goods and services form the largest modality, while health accounts for more than half of total allocation. Education and energy remain considerably smaller, indicating that Indonesia's provider role has expanded across sectors without developing an equally strong concentration in each area.

Health is the clearest example. Indonesian AID has provided medical equipment, medicines, vaccines, health infrastructure and training. Indonesia sent 1.58 million doses of pentavalent vaccine to Nigeria in 2023, followed in 2024 by 10 million doses of bOPV polio vaccine to Afghanistan and 2.71 million doses to Myanmar. It also supported maternal and child health training for Afghanistan, reproductive health training for Kenya, and basic nursing training for Vanuatu (Dalyono et al., 2025). These activities correspond closely with SDG 3 through their focus on immunization, health services and capacity development.

The Nigeria vaccine program also illustrates how development cooperation can intersect with strategic positioning. It addressed immunization needs while using Indonesia's pharmaceutical capacity through PT Bio Farma. The case, therefore, connects SDG-related assistance with domestic industrial capability and wider engagement with African partners, consistent with studies linking Indonesian SSC to development contribution, diplomatic presence and national interests (Heryadi et al., 2024; Triwibowo et al., 2025).

Furthermore, education provides another field of role transition. Although its allocation was

Rp44.76 billion, or 6.66% of total grants, its relevance extends beyond financial scale. The Indonesian AID Scholarship, or TIAS, has become a flagship program in 2024 for government officials and candidates recommended by partner governments. It supported students from 25 countries, while 25 Indonesian universities had joined the program by 2025 (Dalyono et al., 2025). Through scholarships and educational cooperation, Indonesia develops longer-term links with officials, professionals and policy actors in partner countries.

Further on, agriculture and food security show continuity between Indonesia's earlier technical cooperation and its institutionalized provider role. Between 2020 and 2024, agricultural training received Rp37.99 billion and involved 165 participants from more than 20 countries across agriculture, fisheries, livestock and agribusiness sectors (Dalyono et al., 2025). These activities correspond with SDG 2 and draw on Indonesia's domestic development experience. Cooperation with Fiji, including agricultural training, tractors, and training facilities, also illustrates the strategic dimension of this sector.

Governance programs similarly combine knowledge transfer with institutional support. From 2020 to 2024, Rp48.90 billion was allocated to governance-related training, particularly for Timor-Leste, covering accounting standards, human resource development, and fiscal governance reform (Dalyono et al., 2025). These programs correspond with SDGs 16 and 17 by supporting institutional capacity and partnership-based development.

Adding to that, humanitarian assistance extends Indonesia's provider role into crisis response. During COVID-19, Indonesia assisted Fiji, Timor-

Leste and Solomon Islands, sent oxygen concentrators to India, and continued humanitarian and training activities in other countries (Dalyono et al., 2025; Iswardhana, 2021). More recent programs include assistance to Palestine through the ICRC, UNRWA, and ILO, support to Ukraine through the Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund and vaccine assistance to Afghanistan through UNICEF (Dalyono et al., 2025).

The geographic distribution of these grants further demonstrates the reach of Indonesia's provider role. Figure 3 shows that Asia received 36.96% of grants between 2020 and 2024, followed by Africa at 24.25%, Europe at 19.97%, the Pacific at 14.87% and Latin America and the Caribbean at 3.91% (Dalyono et al., 2025).

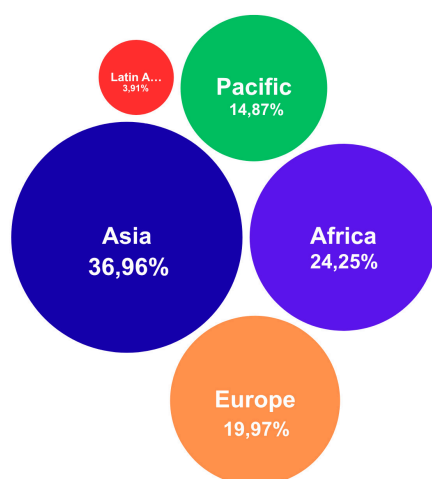


Figure 3. Distribution of Indonesia's Foreign Grants by Region, 2020-2024

Source: Dalyono et al. (2025)

The regional pattern also reflects different forms of engagement. Assistance in Asia is concentrated largely in goods and services related to health, education and disaster management. Africa combines goods, training, scholarships and limited infrastructure support. Pacific programs include physical development, training, goods and services and expert dispatch. European assistance is shaped mainly by humanitarian and reconstruction support to Ukraine, while the smaller Latin American and Caribbean portfolio indicates the gradual extension of partnerships beyond Indonesia's established regions.

Consequently, these sectoral and regional programs show Indonesia acting as a provider of development cooperation through institutionalized

aid modalities. However, they also reveal four limitations in the transition.

First, evidence of measurable development impact remains limited. Indonesian AID programs clearly correspond with SDG-related sectors, although available evidence does not really measure their effects on recipient-country SDG indicators. Stronger project-level evaluation is, therefore, required to assess its impact.

Second, the portfolio remains broad and uneven. Table 2 shows a strong concentration in health alongside smaller allocations to other sectors, while Figure 3 demonstrates geographic dispersion across five regions. Such breadth gives Indonesia flexibility in responding to partner needs, although extensive dispersion can make it harder to develop a distinctive comparative advantage and sustained program depth.

Third, monitoring and evaluation remain under development. Earlier assessments already identified fragmented implementation and incomplete evaluation within Indonesian SSC (Pamasiwi & Arsyani, 2020). Indonesian AID thus has introduced stronger grant procedures, reporting mechanisms and institutional oversight. Even so, its 2019-2025 Progress Report identifies continuing needs for measurable impact assessment, stronger inter-agency synchronization and improved monitoring capacity. Particularly, for geographically distant programs (Dalyono et al., 2025). Program expansion has, therefore, progressed faster than evaluative capacity.

Fourth, Indonesian aid continues to combine SSC principles with strategic national interests. Indonesia frames its cooperation through solidarity, equality and mutual respect. However, other studies also identify political, economic, reputational and security considerations. In the Pacific, assistance to Fiji and other island countries has been associated with efforts to strengthen diplomatic relations and address sensitive regional issues, including perceptions concerning Papua (Aryani & Hapsari, 2021; Mooy, 2024; Wardhani & Dugis, 2020). Indonesia's emerging donor role, therefore, develops through the intertwined interaction between the solidarity-based cooperation and its strategic calculation.

Why the Shift Occurred: Status, Institutional Learning and Strategic Adaptation

Indonesia's movement toward an emerging donor role is argued to have emerged from the interaction of four factors: Indonesia's changing international status, institutional learning from earlier

SSC limitations, the use of SDGs as a global development framework and strategic adaptation to national interests.

The first driver is Indonesia's changing international status. Indonesia's position as a G20 member, middle-income country and active Global South actor created both pressure and opportunity for the country to take a larger development role. As Indonesia's economic and diplomatic profile increased, its role in international development cooperation became more difficult to limit to just merely recipient status or symbolic support for Southern solidarity.

This change reflected a broader shift in the development cooperation landscape, where the distinction between donor and recipient has become less fixed and where several developing countries have begun to act as providers of development assistance (Banik & Mawdsley, 2023; Mawdsley, 2019). In this setting, Indonesia's aid provision became part of a wider adjustment in which Global South actors seek to translate their growing status into more visible development providers.

This status-based explanation underlines that Indonesia's SSC identity has always contained both normative and status-related elements. Since the Bandung Conference, Indonesia has presented itself as a supporter of solidarity, equality, sovereignty and shared development among countries of the Global South (Gray & Gills, 2016; Rozy, 2020). However, as Indonesia's international profile increased, this historical identity also created expectations. A country that claims leadership in Global South cooperation is expected to contribute materially and institutionally to development cooperation. Thus, Indonesia's emerging donor role can be seen as a way to make its historical SSC identity more operational. The establishment of Indonesian AID made this change more visible because it gave Indonesia a dedicated institution through which its development contribution could be organized, financed and communicated.

The second driver is institutional learning. Indonesia's earlier SSC model created important experience, but it also revealed several weaknesses. Before Indonesian AID, many SSC programs were implemented through scattered ministries and agencies. Although this model allowed Indonesia to respond to partner-country needs, it also produced problems of coordination, budget tracing, monitoring, and continuity.

Pamasiwi and Arsyani (2020) show that the National Coordination Team faced limited human and financial resources and weak coordination with implementing ministries. These institutional problems

made it difficult to consolidate Indonesia's SSC activities into a coherent national development cooperation agenda.

The problem affected the substance of Indonesia's emerging donor role. A provider role requires a state to do more than deliver isolated activities. It requires the ability to identify priorities, mobilize resources, sustain programs, track outputs, evaluate results and thus communicate contribution. Earlier Indonesia's SSC practices were less effective for sustaining long-term cooperation.

This explains why the government gradually moved toward a more formal aid architecture. Indonesian AID emerged partly because Indonesia's earlier SSC model was insufficient for its expanding role. The new institution responded to the need for a clearer funding mechanism, more centralized grant management and stronger accountability in aid delivery.

This institutional learning can also be seen in the shift from one-off technical assistance toward more sustainable cooperation formats. The pilot projects in Timor-Leste and Fiji showed that Indonesia had begun experimenting with longer-term program design before Indonesian AID was established. The Country Partnership Strategy for Timor-Leste and the Gender Responsive Planning and Budgeting program for Fiji also reflected an effort to move from short activities toward more complete project cycles involving planning, implementation and evaluation (Pamasiwi & Arsyani, 2020). These experiments indicate that Indonesia's emerging donor transformation developed through accumulated learning about the limitations of fragmented assistance and the need for more structured development cooperation.

The third driver is the SDG framework. The adoption of the SDGs in 2015 created a global development language that Indonesia could use to connect domestic development experience with external cooperation. The SDGs are especially relevant because they are universal, sectorally broad and widely accepted across North-South and South-South development agendas. For Indonesia, this framework made it possible to organize aid programs around recognized development sectors such as health, education, agriculture, governance, energy, environment, infrastructure and humanitarian response. In this way, the SDGs provided a legitimate programmatic field for Indonesia's emerging donor practice.

The SDG framework also helped Indonesia maintain the language of SSC while expanding its provider role. Indonesia could present its foreign aid programs as part of solidarity-based coopera-

tion among developing countries, while also linking them to a global development agenda. This is visible in Indonesian AID's own institutional narrative, which states that its programs are designed to support SDG achievement and to strengthen Indonesia's contribution to equitable and sustainable international development (Dalyono et al., 2025).

The 2023 Indonesian SDG implementation report also shows that Indonesia treats the SDGs as a national development commitment integrated into national and sub-national planning. This domestic integration matters because it allows Indonesia to present its own development experience as a source of knowledge, capacity and practical cooperation for partner countries.

However, the SDG framework also creates a challenge. Because the SDGs cover many sectors, they can support broad program expansion without necessarily creating strategic focus. This helps explain why Indonesian AID's portfolio is wide across regions, sectors and modalities. The SDGs make Indonesia's aid programs more legitimate and easier to classify, but they do not automatically produce clear priorities or measurable outcomes. The SDG framework, therefore, strengthens Indonesia's role transition by giving it a global language, yet it also contributes to broad sectoral dispersion when program selection is not guided by sharper strategic prioritization.

The fourth driver is strategic adaptation. Indonesia's emerging donor role is shaped by an attempt to align SSC principles with national interests. This point should be understood carefully. Indonesia's aid should not be reduced to self-interest alone, because solidarity, humanitarian concern, identity and shared development experience remain important in Indonesia's SSC narrative. At the same time, the evidence shows that Indonesian aid also serves political, economic, reputational and diplomatic goals.

Satyawan and Dinata (2023), for example, argue that power, wealth, and reputation are important interests behind the establishment and aid provision of Indonesian AID. Similarly, studies on Indonesia's aid to the Pacific show that solidarity-based assistance can coexist with political and security interests, especially in relation to regional diplomacy and sovereignty concerns (Mooy, 2024; Wardhani & Dugis, 2020).

This strategic adaptation reflects a wider pattern in contemporary SSC. Recent literature shows that SSC has moved from a mainly solidarity-based political project toward a more complex field where solidarity, development contribution, economic opportunity and geopolitical interest operate together

(Banik & Mawdsley, 2023; Mawdsley, 2019). Indonesia's case fits this pattern. Its programs are framed through equality, mutual benefit and demand-driven cooperation, yet they also help Indonesia strengthen bilateral relations, open economic opportunities, build reputation and improve its diplomatic position.

Indonesian AID's own reporting acknowledges that foreign grants support peace, bilateral cooperation, political support, leadership, economic diplomacy and socio-cultural diplomacy (Dalyono et al., 2025). This shows that Indonesia's emerging donor role is built through a combination of SSC principles and strategic calculation.

Strategic adaptation also helps explain why Indonesia invests in sectors such as health, education, agriculture, governance and humanitarian response. These sectors are selected because they reflect areas where Indonesia can show domestic capacity, build long-term relationships and gain diplomatic visibility.

Health cooperation allows Indonesia to use pharmaceutical and health-sector capacity, including vaccine production. Education and scholarships build networks with future leaders and professionals from partner countries. Agriculture and fisheries allow Indonesia to share development experience while creating potential economic links. Humanitarian assistance strengthens Indonesia's image as a responsible Global South actor. Thus, SDG-related aid becomes a field where development contribution and strategic positioning reinforce each other.

Together, these four drivers arguably explain the "why" behind Indonesia's role transition. However, the same mechanism also explains why the transition remains incomplete. Indonesia's institutional growth has moved faster than its strategic consolidation. Indonesian AID has improved funding, visibility and coordination, but it is still a young institution. Its programs remain broad across sectors and regions, while monitoring and evaluation systems are still developing.

Indonesian AID itself acknowledges the need to improve inter-agency synchronization, regulatory harmonization, measurable impact and monitoring capacity (Dalyono et al., 2025). This means that Indonesia has built the institutional basis for an emerging donor role, but the role still requires stronger prioritization, more consistent evaluation and clearer evidence of development impact.

Therefore, Indonesia reworked the principles of South-South Cooperation through a more institutionalized aid system. Indonesian AID, hence, became the mechanism that allowed this reworking to take place, while SDG-related sectors became the

main field where the new role was practiced. The result is a role transition that is real but unfinished: Indonesia has become more visible as an emerging donor, yet its long-term influence depends on whether institutional expansion can be matched by strategic focus and measurable development results.

Why This Matters to South-South Cooperation Study?

The findings have broader implications for discussions among South-South Cooperation (SSC) and emerging donors studies. Indonesia's case shows that SSC transformation can occur through changes in a Southern actor's identity, institutions and development cooperation practices. Through Indonesian AID and SDG-related programs, Indonesia increasingly performs an emerging donor role while retaining SSC principles such as mutual benefit, demand-driven cooperation, respect for sovereignty and shared development experience.

Furthermore, this article contributes to SSC literature by showing how a Global South country can develop a more institutionalized provider role within SSC. Indonesian AID reflects this process through a formal institution, dedicated funding mechanism and program structure for cooperation with other developing countries. This finding is consistent with scholarship describing contemporary SSC as increasingly pragmatic, institutionalized, and connected to national interests, economic diplomacy and global development agendas (Banik & Mawdsley, 2023; Mawdsley, 2019).

In this context, Indonesia maintains its SSC principles while organizing them through a more formal aid system. Accordingly, solidarity continues to provide the normative basis of cooperation, while institutionalization strengthens the capacity to deliver programs. Indonesia, therefore, illustrates how normative continuity can coexist with institutional transformation.

Next up, the findings also contribute to emerging donor literature. Existing studies commonly identify emerging donors through their growing provision of development assistance, technical cooperation, grants, loans, training, scholarships and humanitarian support (Banik & Mawdsley, 2023; Mawdsley, 2019). The Indonesian case suggests that this transition should also be assessed beyond aid volume. Although its financial contribution remains modest compared with larger providers such as China, India and Turkey, Indonesia has established a dedicated aid institution with Indonesian

AID that strengthens the foreign grant framework and endowment-based funding mechanism.

This interpretation also refines how emerging donor transition should be understood in the Global South. Indonesia's experience is more complex than a linear shift from recipient to donor. The country continues to face domestic development challenges and identifies with the Global South while increasingly providing institutionalized foreign assistance. Its role, therefore, develops through a dual identity: Indonesia presents itself as a Southern development partner that shares its experience with other countries while also acting as a provider of foreign aid.

Furthermore, Indonesia consequently provides a useful case for understanding how emerging donor roles can develop incrementally. Compared with larger emerging donors, its transition relies strongly on institutionalization rather than financial scale. Dedicated institutions, targeted programs and the transfer of domestic development experience allow the provider role to expand despite more limited resources.

Overall, Indonesia's case shows that emerging donor transition within SSC is gradual, institutional and still always contested. It requires institutional capacity, program delivery, policy justification and mechanisms for sustaining cooperation. At the same time, the process remains shaped by the interaction between solidarity and national interest and by Indonesia's capacity to translate frameworks such as the SDGs into effective development cooperation.

CONCLUSION

This article has examined how and why Indonesia has transitioned toward an emerging donor role in South-South Cooperation through Indonesian AID in SDG-related sectors. The analysis shows that Indonesia's role has moved from symbolic solidarity and fragmented technical assistance toward a more institutionalized form of development cooperation. This transition is visible through Indonesian AID, which provides the institutional structure, funding mechanism and program modalities needed for Indonesia to organize foreign aid to other developing countries.

The article finds that Indonesian AID functions as the main institutional mechanism of Indonesia's role transition, while SDG-related sectors serve as the empirical site where this transition is practiced. Through programs in health, education, agriculture, governance, environment, energy, infrastructure and humanitarian response, Indonesia connects its

domestic development experience with the needs of partner countries.

However, the article also shows that this transition remains incomplete. Indonesian AID programs are aligned with SDG-related sectors, but measurable evidence of their direct impact on recipient-country SDG outcomes remains limited. The aid portfolio is also broad across sectors and regions, while monitoring, evaluation and strategic prioritization still require further strengthening.

This article also argues about the “why” of the shift. The shift occurred arguably because of four connected drivers. First, Indonesia’s rising status as a G20 member, middle-income country and active Global South actor created pressure and opportunity for a stronger development role. Second, institutional learning from earlier SSC limitations encouraged the creation of a more organized aid mechanism. Third, the SDGs provided a widely accepted development framework through which Indonesia could organize its foreign aid programs. Fourth, Indonesia adapted its SSC practice to align solidarity-based cooperation with strategic national interests including reputation-building, economic engagement and political positioning.

Theoretically, Indonesia’s case shows that emerging donor transition in South-South Cooperation is gradual, institutional and contested. It is not only merely measured by aid volume, but also by institutional capacity, funding mechanisms, policy narratives, program modalities and the ability to sustain development cooperation.

Nonetheless, to end this paper, the author acknowledges several methodological limitations, as this article still mainly relies on data from a document desk review. Hence, for future research, it can further expand the data source to primary sources. Also, for the focus itself, it can further examine recipient-country perceptions, project-level SDG impact, comparison with other emerging donors and domestic debates on Indonesia’s foreign aid while also integrating more robust data source in order to explain a more comprehensive perspective.

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