



The Matcha Initiative

Indonesia Sustainability Landscape

Presented by



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- Award-winning International Water & Sanitation expert
- 25+ years experience across NGOs, UN and private sectors, with 23 years spent in Indonesia
- Founder and CEO - TSB (Towards Sustainable Businesses), providing sustainability consulting services, mainly in the domain of water, sanitation and waste management in BtoB sector.
- Buddy at The Matcha Initiative





Indonesia Sustainability Landscape

Indonesia - factsheet



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- The world largest archipelago comprising **17.000 islands**
- **276 millions inhabitants** living on 1.8 million km², 56% living on Java island
- Indonesia also has the **world's largest Muslim population** (87%) but Christianity, Buddhism and Hinduism are also recognized (Pancasila)
- Indonesia includes **700 living languages** but the official language is Indonesian (Bahasa Indonesia)



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TOWARDS SUSTAINABLE
BUSINESSES

Sustainable Indonesia in a nutshell

**half of Indonesia's
population lives on
less than US\$2a day.**

**2nd highest level of
biodiversity**

G 20

**43% of Indonesia's
citizens are under
the age of 25**

**Prone to
disasters**

**sustainable
indonesia**

**Consumer growth
sectors**

**World's largest
producer of palm oil**

**Mineral
resources**

SDG's status



Note: The full title of each SDG is available here: <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

- SDG's limited progress for water & sanitation (WASH), Hanger, Health, Clean energy.
- In regards to education, disparity in access and quality exists across the country.

Main Environmental Issues



Deforestation: rapidly growing population and the resultant demand for arable land, timber as well as firewood.

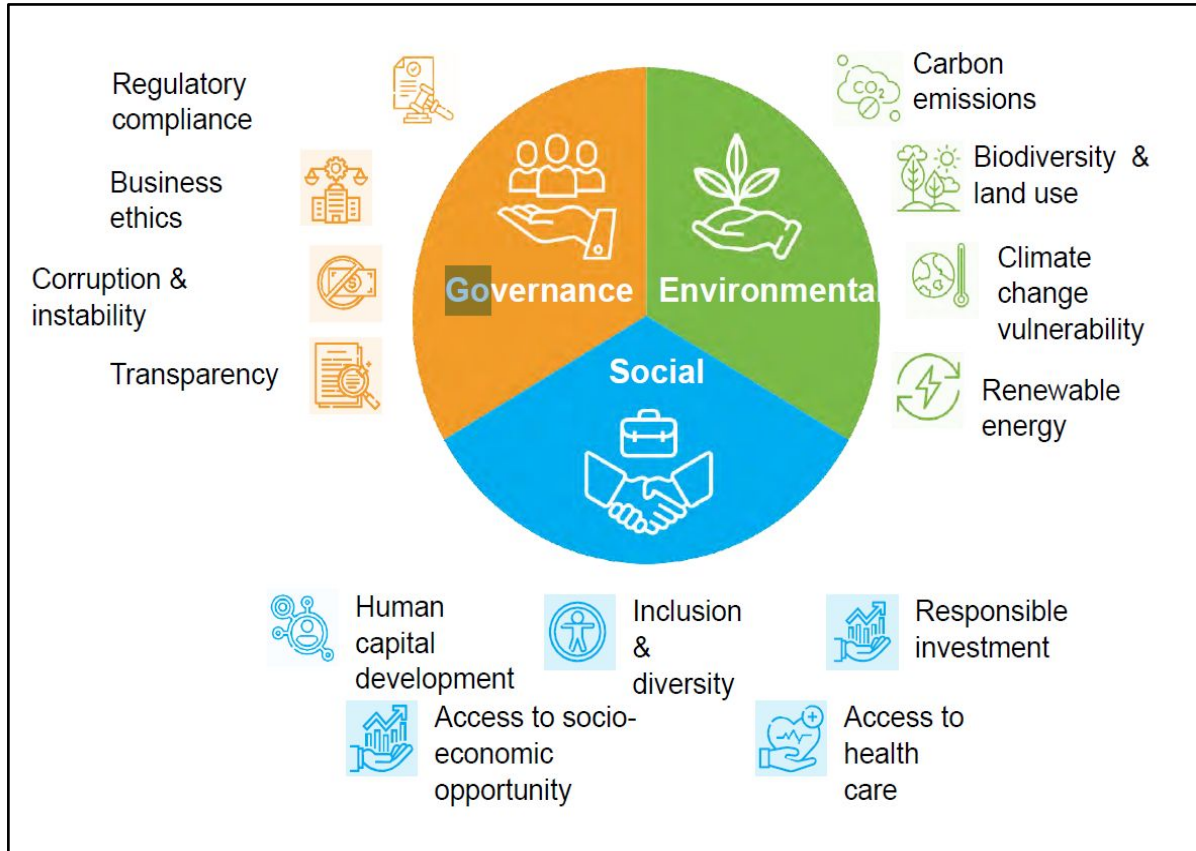
Water pollution: largest water polluters in the world. Lack of sewage and mining water pollution

Air pollution: result of industry, growing levels of motor vehicle emissions as well as forest fires.

Overfishing: large population, harmful fishing methods, subsidies to large fishing industries.

Threats to biodiversity: deforestation, climate change, illegal wildlife trade and hunting

Waste: due to rapid economic expansion



- ESG principles are closely aligned with the UN SDGs.
- ESG is a **top business priority** for Indonesia
- Indonesia is among the **global pioneers for thematic bonds** and banks are seeking to mobilize private funding under the OJK Sustainable Finance Roadmap
- **Digital transformation, sustainable investment and policy reform** will catalyze progress towards SDG's, strengthening the country's ESG ecosystem.

Golden Indonesia Vision 2045



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Indonesian citizens are excellent, cultured, and expert in science tech



Progressive and sustainable economy



Inclusive and equitable development



Democratic, powerful, and virtuous country



Development Pillar of Indonesia 2045

HUMAN DEVELOPMENT AND MASTERY OF SCIENCE & TECH



Impartial Acceleration of Indonesian Citizen's Education



Increased Role of Culture in Development



Increased Contribution of Science and Technology in Development



Increased Community's Health Level and Life Quality



Workforce Reform

SUSTAINABLE ECONOMIC DEVELOPMENT



Increase Investment and Economic Competitiveness



Acceleration of Industrial and Tourism Dev



Maritime Economic Development



Reinforced Food Security and Farmer's Welfare



Strengthened Energy and Water Security



KCommitment Towards the

EQUITABLE DEVELOPMENT



Acceleration of Poverty Eradication



Equal Opportunity and Equitable Distribution of Income



Equitable Regional Development



Integrated and Equitable Infrastructure Development

NATIONAL RESILIENCE AND GOVERNANCE



Substantial Democracy



Institutional and Bureaucratic Reform



Enhanced National Justice System and Anti-Corruption



Free and Active Foreign Politics

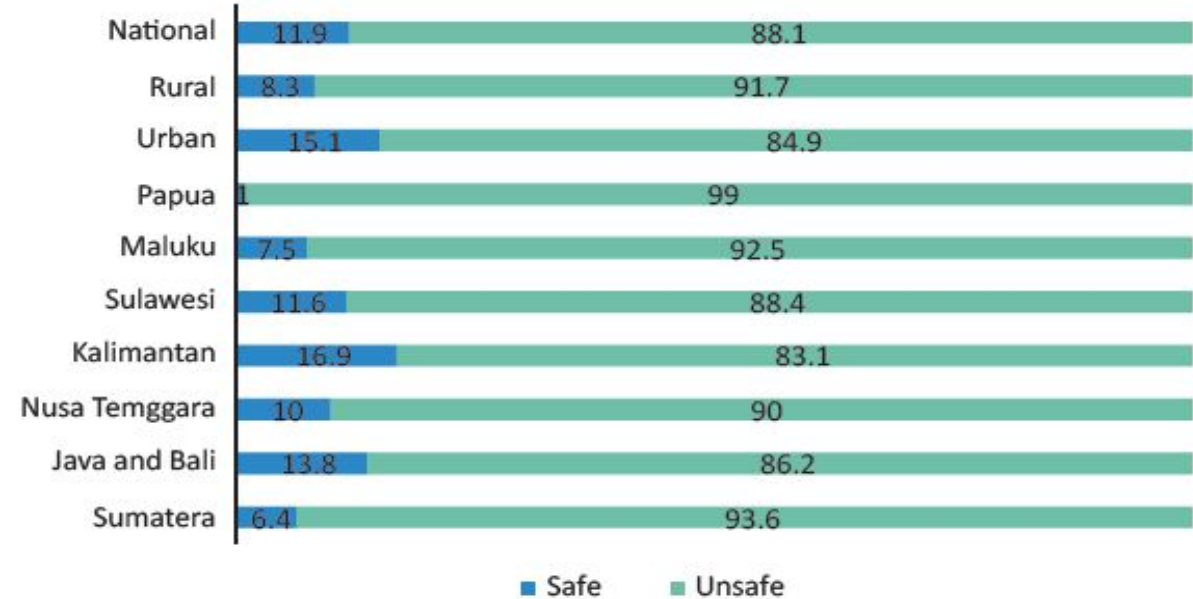


Free and Active Foreign Politics

Vision 2045: specific example



Percentage Access to Safe Water, by Main Island Groups



ACTIONS:

- Strengthening the governance framework
- Strengthening institutions: Coordination and capacity building
- Improving the efficiency of public expenditures for water and mobilizing finance

Financing growth

Indonesia has been a global and regional pioneer for ESG-related bonds issuance, including both sharia-compliant and SDG-related financing.

National policies have helped to increase the focus on sustainable finance.

OJK's regulation No. 60/POJK.04/2017 defined green bonds issuance; organisation's Sustainable Finance Roadmap Phase II, 2021-25, aims to boost ESG-related funding over the coming years.

Sustainable Policies

OJK Regulation (POJK) No. 51/POJK.03/2017 raised the ESG requirements for financial services providers and listed companies from 2019 and 2020, respectively.

Financial and listed companies must submit an annual sustainability report to OJK

77%

Out of 810 Public
Companies in 2021

77%

POJK-51 Index
completed

42%

disclosing SDGs

42%

using GRI
Standards

<1%

disclosing climate

<1%

externally assured

58 reports in 2018 - 627 Reports in 2021



**INDONESIA IS THE MOST GENEROUS
COUNTRY IN THE WORLD FOR THE
FIFTH YEAR IN A ROW**

Indonesia tops the World Giving Index for a fifth year with a score of 68%. The country has the highest rates of donating and volunteering in the world. During 2021, more than eight in ten people donated money and more than six in ten (63%) volunteered time.

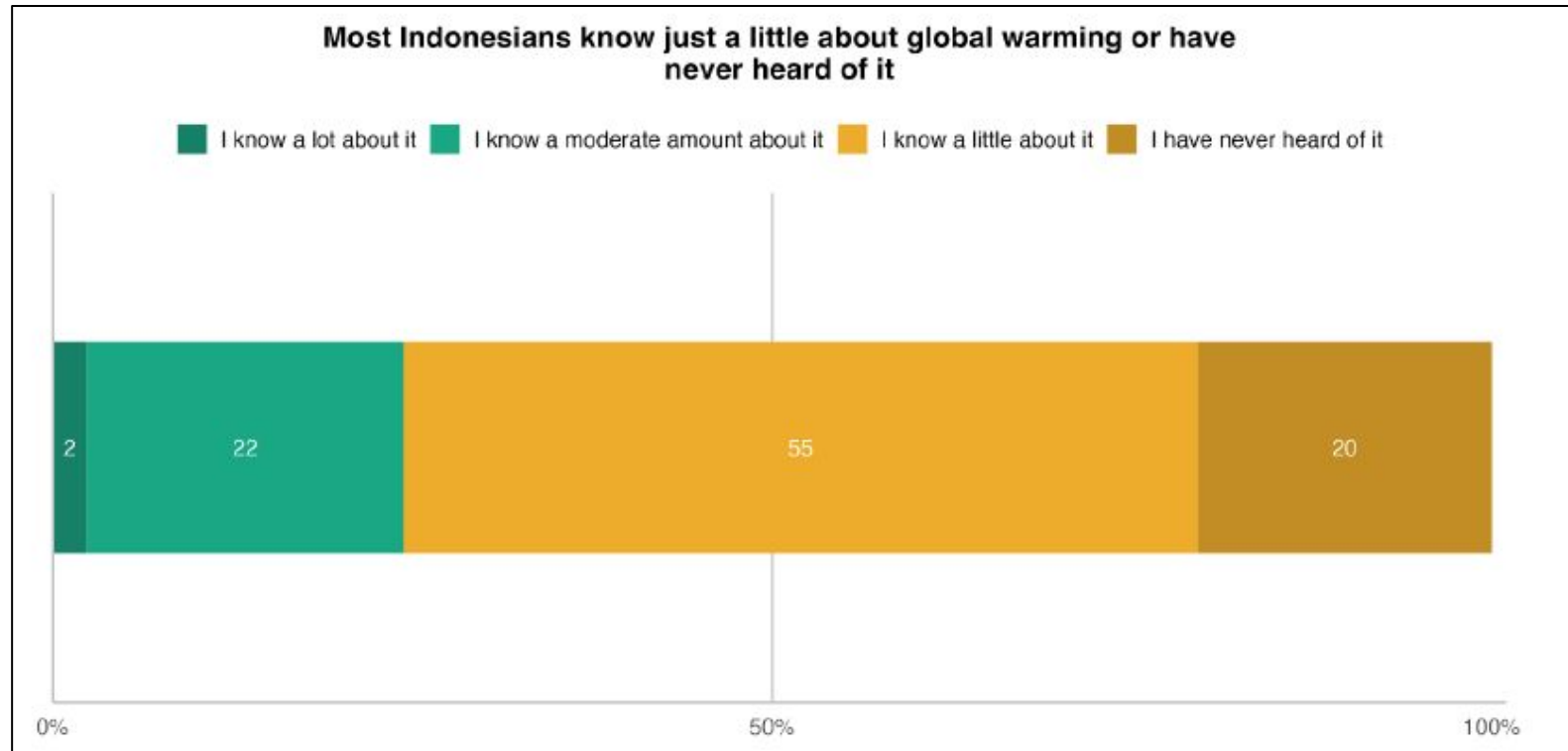
Indonesia was one of the first countries in the world to implement legislation mandating businesses to undertake Corporate Social Responsibility (CSR).

The two main CSR related laws which were enacted during the decentralization era are the:

- Investment law No. 25/ 2007
- Limited Liability Companies (LLCs) Law No 40/ 2007.

By law, companies are required to spend 2% of average net profits of the company made during the three immediately preceding financial years.

Maturity in Indonesian public



A large majority of Indonesians (80%) say they are either “very worried” (34%) or “worried” (45%) about the rate of deforestation in Indonesia today: floods (71%), landslides (68%), and loss of water reserves (46%) are among their top three worries about deforestation.

Large majorities of Indonesians are worried about harm from environmental problems in their local area & feel morally obligated to protect the environment.

Gol Initiatives & International Support



GREEN CLIMATE FUND

GCF a total of \$410 million from the WB, the Gol and private sector; for geothermal development.



BIOCARBON FUND

WB Initiative for Sustainable Forest Landscapes (ISFL) is providing \$15million to support Jambi's efforts to reduce emissions.



INDONESIA SUSTAINABLE FINANCE INITIATIVE

ISFI is dedicated to advancing and adopting comprehensive sustainable finance principles.



INDONESIA GREEN GROWTH PROGRAM

Collaborative initiative between Gol and the **GGGI**; integration of economic growth and environmental sustainability.

Indonesia's Just Energy Transition Partnership (JETP): the country signed an agreement in November 2022 with IPG (International Partners Group) members for a **US\$20 billion** in funding from both their public and private sectors to finance **Indonesia's energy transition** projects.

S strengths	W weaknesses	O opportunities	T threats
<ul style="list-style-type: none">• Rich cultural diversity• Abundance of natural resources• Huge potential impact on large population	<ul style="list-style-type: none">• New coal plants opening• Accepting foreign waste despite waste disposal issues• Increasing carbon footprint fueled by growing population	<ul style="list-style-type: none">• Increasing number of local/international organisations open to collaborate• Youth actively taking part in programs• Companies willing to train employees for better CSR programs	<ul style="list-style-type: none">• The capital of Indonesia is changing due to the submerging situation of Jakarta• Uncertain future political landscape in Indonesia linked to the upcoming presidential elections



Sustainable rubber tree plantations in Sumatra and East Kalimantan province in Indonesia (PT. wanamukti wisesa)

Encompassing 88,000 hectares of concessions in Sumatra and Kalimantan, in regions partially ravaged by unfettered deforestation. A total of 18,690 ha area or 25% of the total concession in Jambi is dedicated for conservation area & restoration, including Elephant and tigers' habitat conservation

Objective:

creation of approximately 10,000 direct and indirect jobs and a 'zero deforestation' commitment.



Water supply, efficiency: change the design of the building, adding rain water harvesting facilities (gutter and rain water catchment container) for each employees houses. Reducing the volume of water pumped in the aquifer, via existing borehole.



Proper Sanitation: appropriate technology applied and built for drainage and waste water management, avoiding stagnant water and therefore water related diseases.

Indonesia case Study



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Domestic organic waste sorting & composting: behavior change project for the employees and their families for segregation of waste at the source, collect organic waste, composting process and the company buy back the fertilizer for its own needs.

Indonesia case Study



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Community socialization: discussions with gender separated community groups on environmental & health issues faced in the location.



THANK YOU