HOW CAN INDONESIA CONTINUE TO GROW TODAY AND TOMORROW? NATURE HOLDS THE ANSWER

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Global challenge: A more volatile world, resting on increasingly fragile systems

KEY INDICATORS

Species loss – ~1 million
species at risk of extinction globally

Landuse change – 4.12 million hectares
net forest loss per year

Biosphere integrity – 60%
of global land area is outside safe operating zone for functional biosphere integrity

SYSTEMS AT RISK: THE IMPACTS

1. Collapse of Food Security & Pollination Systems
2. Freshwater Crisis & Water Cycle Disruption
3. Climate Destabilisation & Loss of Carbon Sinks
4. Rising Pandemic Risk & Deteriorating Human Health
5. Erosion of Earth System Resilience & Planetary Tipping Points

Nature is the foundation of indonesia's growth

DIRECTLY DEPENDENT ON NATURE

DIRECT + INDIRECTLY DEPENDENT ON NATURE

Nature helps millions of Indonesians, but the biggest profits are earned after the farm and the forest, in pr

The rules of competitiveness are changing – “not how much countries produce but *how they produce it*”

From trade-offs to co-benefits

Three shifts for economies to transform at scale.

Shift 1: delivering more value at home

THE SHIFT

TODAY	TOMORROW
Export raw materials	Process, innovate and create
↓	↓
Limited value retained	More value retained at home
↓	↓
Lower incomes for farmers	Better jobs, higher incomes, stronger economies

INVESTING IN WHAT MATTERS

Processing
Build domestic processing capacity

Technology & Research
Drive innovation and productivity

Skills & Human Capital
Invest in skills for better jobs

Logistics
Improve logistics and market access

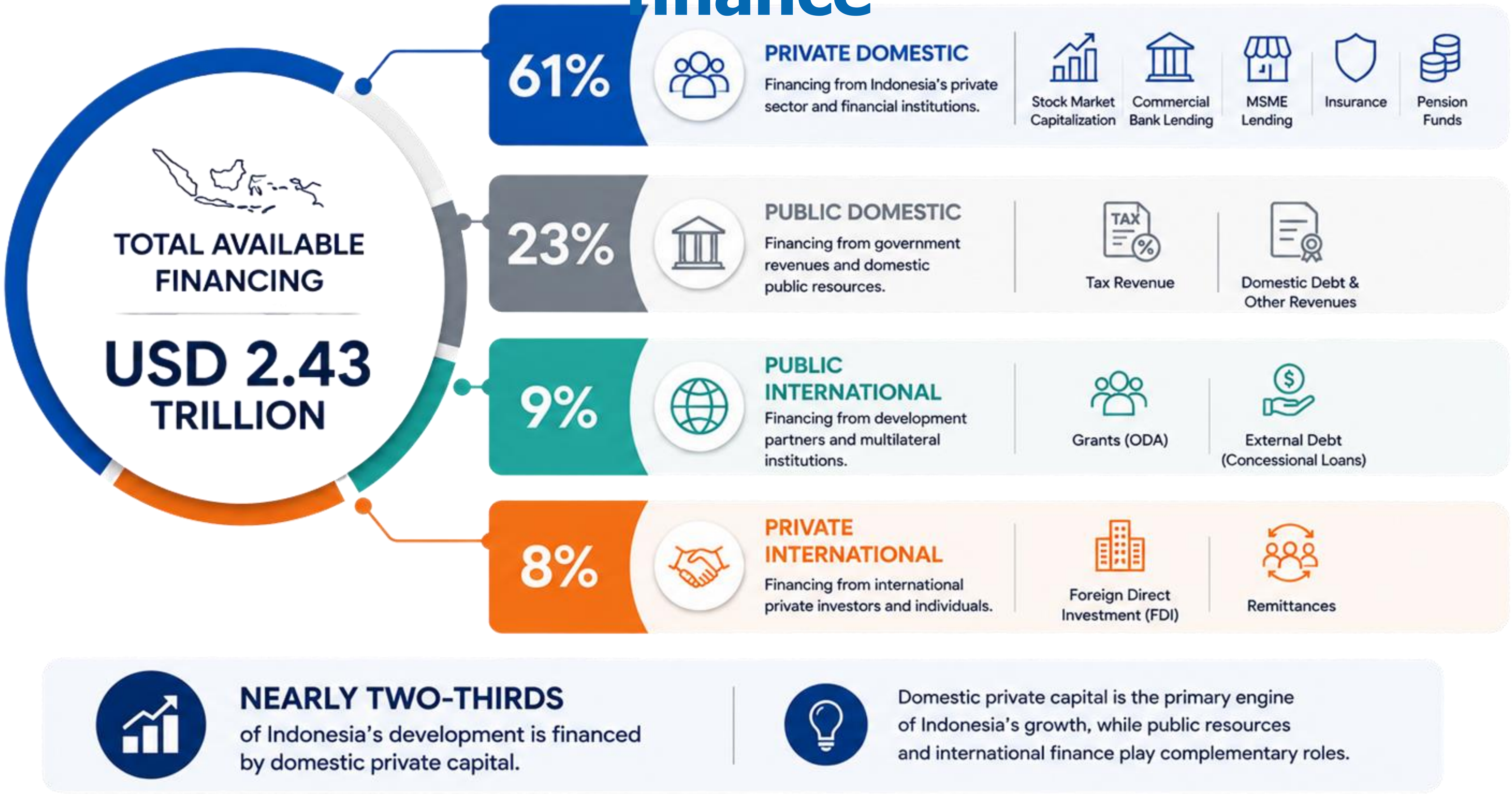
Enterprise Development
Strengthen MSMEs and support growth

COCOA VALUE CHAIN EXAMPLE

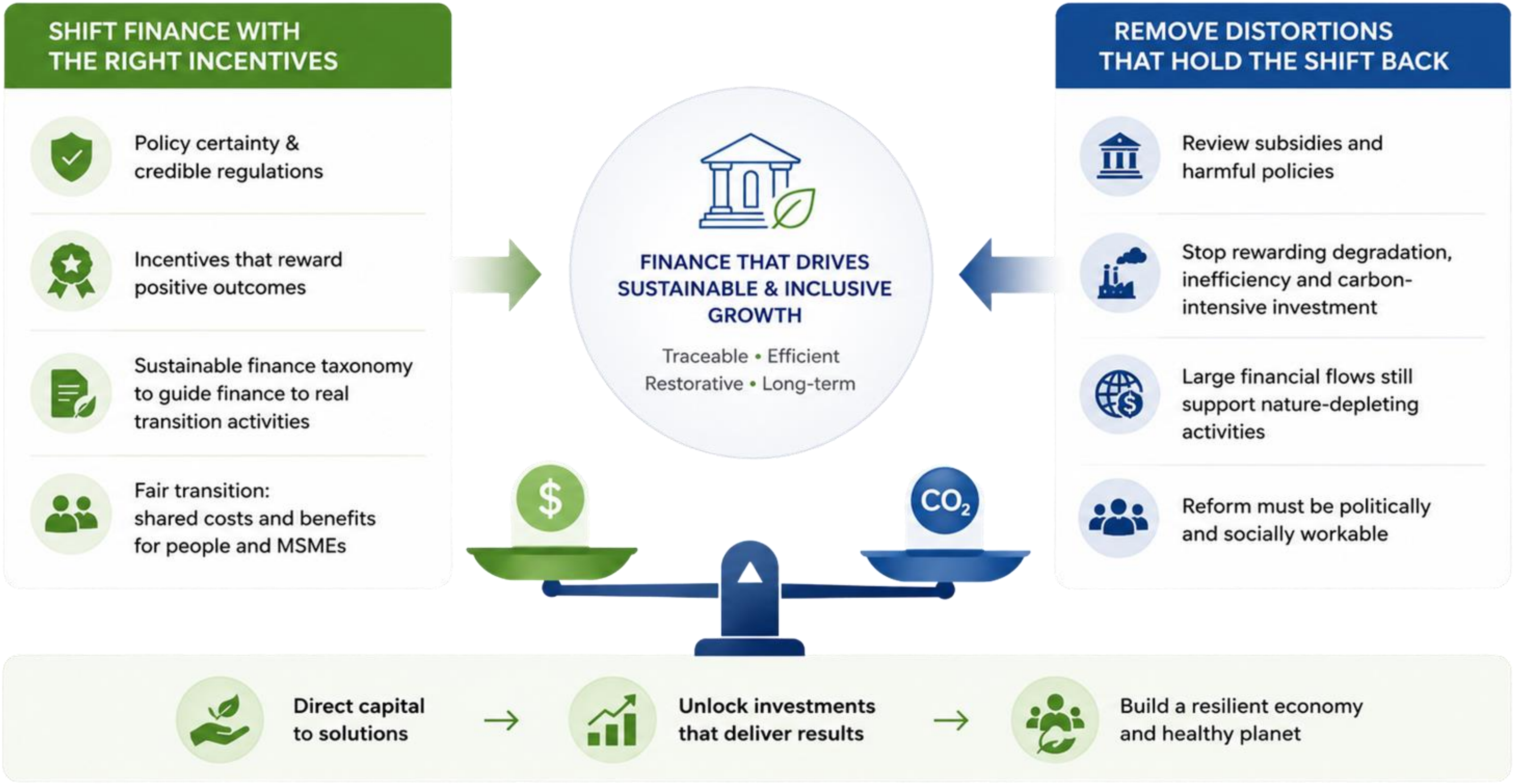
Distribution of value added to 1 ton of cocoa, 2015 (UNCTAD)

Most value is generated after processing, branding and retail — **not at the farm gate.**

Shift 2: moving from more finance to better directed finance



Shift 3: getting the incentives right



Thank You!

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