

Net Zero 2060



# PIONEERING INDONESIA'S PATH TO GREENER FUTURE



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# Pioneering Indonesia's Path to Greener Future

To contribute to Indonesia's net zero emissions goal, targeted by 2060 or sooner, Swaniti Global Initiative is spearheading Indonesia's Industry Decarbonization Index, a transformative project aimed at mapping challenges and opportunities for sustainable industrial growth. Partnering with Indonesia Business Council for Sustainable Development (IBCSD), this initiative targets heavy industries and downstream food industries that contribute to one third of global emissions, but oftentimes receives less attention in mitigation efforts, as such it is garnering just 3% of climate philanthropic resources.

Indonesia is the world's fourth-most populous nation, exemplifies the urgency: its CO<sub>2</sub> emissions climbed to 675 Mt in 2023, with the industrial sector emissions accounting for 25% of energy-related emissions. Noting the country's commitment to net-zero by 2060 and Paris Agreement goals, the country is advancing decarbonization through roadmaps like nickel processing, while at the same time grappling with coal dependency and equitable transitions in resource-reliant regions.

## The index focuses on three sectors:

- **Critical Minerals:** Indonesia leads globally, producing 54% of the world's nickel in 2023, alongside cobalt, tin, copper, and bauxite, which are vital for EVs and renewables but energy-intensive, often powered by coal plants;
- **Cement:** Indonesia is the seventh-largest producer worldwide, contributing 2% of global output and emitting, 40 MtCO<sub>2</sub>e annually;
- **Downstream Food Industries:** Indonesia's food and beverage sector is a major manufacturing subsector and a top emitter, contributing significantly to industrial emissions through energy intensive processing, packaging, and supply chain. It is an economic giant valued at USD 309.7 billion in 2024 and employing over 5 million people. The sector's potential for decarbonization lies in efficiency improvements, renewable energy adoption, and circular economy practices. It generates 20-40 MtCO<sub>2</sub>e yearly from processing, with 10-15% reduction potential through renewables, efficiency, and circular practices like recycling millions of tons of waste annually, aligning with SDGs 8 and 9 for inclusive growth

Following the rollout of this index for critical minerals, cement, and downstream food industries, Swaniti aims to expand next to the textile sector. Leveraging insights from our successful decarbonization analysis in India's textiles, this extension will assess Indonesia's textile industry's readiness, focusing on its 6% contribution to manufacturing GDP, employment of over 3.86 million people, and potential for 10-15% emission reductions through renewables and circular practices, further advancing equitable and resilient economic transformation.

This initiative stems from a mission to bridge global climate gaps with localized action. Building on successful textile decarbonization analysis in India, which revealed state level insights, Swaniti recognizes industries' role in economic growth, along with the risks like emissions growth but it allows opportunities for innovation. By creating the Energy Transition Readiness Index (ETI), Swaniti aims to:

- **Assess Readiness:** Quantify sectors' and companies' decarbonization status at national and sub-national levels;
- **Identify Support Needs:** Pinpoint technical, financial, and policy gaps for targeted interventions;
- **Foster Collaboration:** Highlight best practices, raise awareness, and enable just transitions, ensuring social equity in workforce shifts.
- **Align with National Priorities:** Support Bappenas' RPJMN and RKP for green growth, evidence-based policymaking, and economic resilience.

Kicking off in October 2025 with literature reviews and surveys, the project will include stakeholder roundtables and ETI rollout.

As Indonesia powers toward a sustainable and green economy, Swaniti's index is expected to be the catalyst for accelerated change.



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