



INDONESIA IMPACT DIALOGUE

CREATING AN INDONESIAN IMPACT ECONOMY

AUGUST 29, 2019 ▲ JAKARTA, INDONESIA



GSG BEGINS TO WORK WITH LOCAL PARTNERS TO ESTABLISH AN INDONESIAN NATIONAL ADVISORY BOARD



The Global Steering Group for Impact Investment (GSG), supported by the United Nations Economic and Social Commission for the Asia Pacific (UNESCAP), BAPENNAS and the United Nations Development Programme (UNDP) Indonesia, convened the inaugural Indonesia Impact Dialogue in Jakarta to support the country's impact investment community establish a National Advisory Board (NAB).

Around 50 impact leaders consisting of investors, entrepreneurs, policy-makers and development finance professionals from across the public, private and not-for-profit sector engaged in an interactive discussion on how to scale the Impact Economy in Indonesia. Mr. Oktorialdi, Senior Advisor to The Minister for Equity and Regional Affairs addressed the gathering and delivered the Headline Keynote on Indonesia's role in the global impact movement highlighting the USD 23 billion worth impact investment opportunities in the country (2019-2023) aligned to the common vision of Sustainable Development Goals (SDGs). Keynotes were delivered by Mr. Amit Bhatia, CEO, GSG and Mr. Christophe Bahuët, Country Director, UNDP Indonesia shedding more light on the global impact movement, and developments in SDG financing.

The dialogue was curated around three engaging discussion sessions on Catalysing Entrepreneurship for Impact, Unlocking Private Capital at Scale, and Enabling Policy Frameworks for Impact Investment Ecosystems, and was facilitated by Romy Cahyadi (Instellar) and Krisztina Tora (GSG) to get the group to discuss the following questions:

- ▲ What role are entrepreneurs in Indonesia playing in catalyzing impact? What are the gaps and opportunities?
- ▲ Is there enough capital available in the country? Where is it? How do we unlock it at scale?
- ▲ What policy frameworks are enabling/can enable Indonesia's transition to an Impact Economy?

Some of the key insights that emerged from these deliberations include the following:

- ▲ Entrepreneurship in Indonesia is not a fashion but a growing movement. Despite challenges, people are doing things on their own. There is a need to incentivize social entrepreneurship. This is one of the places where the Government can help.
- ▲ There is currently a mismatch between funding mechanisms and impact enterprises, fueled by a knowledge and communication gap on who can access and where to access capital.
- ▲ Ease of doing business and a friendlier regulatory environment will be pivotal to attracting foreign investors and funders to the country.
- ▲ A shift in the implementation of CSR regulations has the potential to have a significant impact.
- ▲ For impact investments to grow, there is a need to collaborate and leverage off each other's strength to facilitate better access to capital and advocate for enabling policies. Government can be a glue between available funding, available platforms and opportunities.
- ▲ Given the complex geography and landscape, there is call for a single window for those interested in investment in development.

The half-day dialogue concluded with a networking break and a working lunch organized by UNDP Indonesia to discuss the steps ahead. Enthusiasm for a collaborative impact platform in Indonesia to work on a coordinated agenda was loud and clear, and the GSG looks forward to building on the momentum to support Indonesian impact leaders in their NAB Building efforts.

WORDS OF IMPACT

“ Impact Investment is now a global movement. Millennials around the world are making the trend for sustainable and ethical consumption. The movement is there, now we need to organize the actors for a better impact. ”



“ We need to foster a move from impact as a jargon to impact as a framework that helps entrepreneurs to scale their impact. ”



“ There are barriers to profitability in investments in renewable energy and a critical need of de-risking investments. ”

“ Any kind of standardization of measurement of impact promoted by the Government would be welcome. ”

INDONESIA IMPACT DIALOGUE

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“ Green Sukuk Bonds are a very good example of what the Government can do to facilitate financial flows. ”

“ The question is which are the sectors one can really make an impact in? Where are the commercial opportunities? Where is it safe for private companies to operate where they can have impact? ”

“ We should set up a common space to discuss together, share experiences, and build a bigger picture. ”

“ Regulatory environment is an obstacle to foreign investors coming in. Digitalization of shareholding structures and tax reliefs on transfer of returns will go a long way in facilitating foreign investments. ”



“ Regulations have the potential to create a welcoming framework not only through tax incentives but also security of law. ”



“ Indonesia is the largest home ground for Blended Finance. Government is not just welcoming. Government is putting money into it. ”

