**SEIZING THE URBAN OPPORTUNITY: INDONESIA**
*Compact, connected, clean and resilient cities as drivers of sustainable development*

**National Priorities for Action for Indonesia**

* **Indonesia is urbanising rapidly**, with 55% of its population in urban areas and urban areas producing nearly 60% of GDP. By 2050, three-quarters of Indonesians will live in cities.
* **But Indonesia’s cities have struggled** to keep up with demand for basic services such as piped water and modern sanitation. It also has a major housing deficit and affordability crisis, and its cities are plagued by traffic congestion and air pollution. Urban expansion has consumed large swaths of cropland and vital ecosystems that store carbon.
* **Efforts are already being made in several cities** to work with local residents to manage flood risks, protect ecosystems, and build capacity for climate adaptation and mitigation. Indonesia is also embracing nature-based solutions to build resilience and boost carbon storage and has set up a Low Carbon Development Initiative.
* **This is a pivotal time for Indonesia**, as COVID-19 has taken a severe toll and the government has responded with US$75 billion in stimulus spending as of February 2021, most recently in a US$28.5 billion infrastructure package focused on “labour- intensive” projects. This package includes housing construction, sanitation for 1.6 million homes, and rooftop solar, but also several high-carbon investments. Future stimulus efforts could give greater priority to urban investments that reduce emissions and build resilience.
* **The report highlights numerous opportunities for action**, which include:
	+ **Investing in sustainable urban mobility**, including public transport, walking and biking infrastructure, as well as in transit-oriented development.
	+ **Scaling up ecosystems restoration in and around cities** to build resilience, including mangroves and peatlands. Healthy coastal ecosystems also support livelihoods, especially for the poor.
	+ **Accelerating the transition to clean electricity**, as more than half the urban abatement potential identified in this analysis depends upon it.
	+ **Leveraging the Smart Cities movement to advance sustainability**, resilience-building and inclusion, with measures to ensure that small and mid-size cities can fully participate, and so can lower-income people, including kampung residents. The vast majority of the abatement potential – 76% – is in cities with fewer than a million residents today.
* **Successful implementation of the report’s solutions** could result in:
	+ **96% fewer GHG emissions** from urban buildings, transport and waste by 2050
	+ **Economic returns of $2.7 trillion** by 2050 (with investment of $1 trillion)
	+ **2.3 million new jobs** in 2030 (mostly in energy efficiency/rooftop solar installation)