

Finding Hope in Mountains of Trash

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Danantara Indonesia Investor Relations Team



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"Reading is the window to the world. But more than that, it is also a key that can unlock the doors to the secrets of **knowledge and wisdom.**"

KI HAJAR DEWANTARA, Indonesian national hero and education pioneer

Out of Sight, Not Out of Mind

Tertimbun sampah, terkubur mimpi.

Buried trash, buried dreams.

Bantargebang is Jakarta's waste mountain, where trash goes to die while its neighbors struggle to live. As the locals put it "*Mau nggak mau, orang di sini makan sampah.*" Whether they want to or not, people here eat trash.

We live inside invisible systems, like habits, rules, or assumptions. Too close to see the frame. Bantargebang sits 25 km east of central Jakarta: 45 minutes in good traffic, two hours in bad. Close enough to smell, far enough to ignore.

We visited Bantargebang, walked the edge, and the blur hardened. We met kids living on fried street food because the air makes cooking unbearable. Illness felt routine. Malnutrition sets its hooks. Even a simple cold could take a child. Children thought being sick was "no big deal" because "everyone gets sick anyway."



For these children, trash is the playground. Often outside playing barefoot, they risk infections and daily exposure to toxic waste. Photos by Danantara Indonesia investor relations team, except where noted.

Stand there long enough and we realize the boundary is fiction. The dump's consequences commute. Waste burns in backyards and enters our lungs. It clogs drains; one night of rain and we're wading brown water. It returns as microplastics in our fish, as hospital bills, as lost productivity. A slow tax on health and the economy. Well, "slow" the way rust is slow, until suddenly, the bridge is gone.

This is not Bantargebang's problem. It is Indonesia's.

In 2024, we made 35 million tons of waste, an endless convoy of garbage trucks circling the planet twice, every year. Or trash stacked one meter high across 16,500 soccer fields. Or, if you prefer, the entire city of Jakarta smothered under 20 centimeters of garbage.

That is not even the true cost. What becomes of the futures we quietly bury beneath the trash?



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Indonesia's 35 million tons of waste for 2024 means an endless convoy of garbage trucks, circling Earth twice a year / Illustration by Danantara Indonesia Investor Relations Team

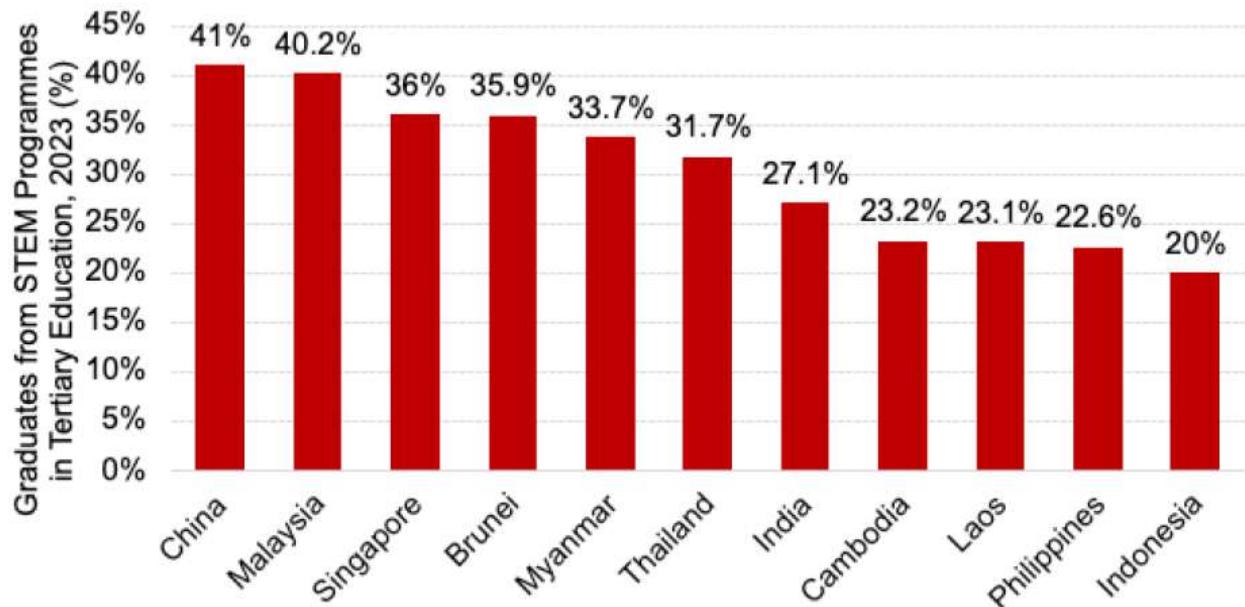
The Hidden Curriculum

Let's take a step back and see the big picture. People often talk of prosperity and the environment as a trade off. But there is no prosperity without a healthy, sustainable environment. After all, it substantially impacts the humans living within it.

Danantara Indonesia is, first and foremost, a human capital project, as chief investment officer Pandu Sjahrir bluntly puts it.

That is not corporate speak. It is a countdown. Indonesia has maybe two decades to grow rich before it grows old. After that, our much-vaunted demographic bonus expires.

To move up the value chain, Indonesia needs to pump out science, technology, engineering, and mathematics (STEM) graduates at scale. Initiatives like SMA Unggul Garuda and Yayasan Pendidikan Kader Bangsa show that we have an enormous supply of smart kids. But our current STEM numbers lag behind some of our neighbors, something tough to change until we pay our teachers better.



Note: Data years for select countries: Malaysia and Singapore, 2022; Indonesia and China, 2020; Cambodia and Laos, 2019; Myanmar, 2018 / Source: UNESCO 2023.

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Weak education systems do not just hold back economies. They hold back politics, leadership, legitimacy. Excellence in education is the condition for everything else: productivity, prosperity, even trust. Education is not a side issue. It is THE issue.

Even so, it is easy to talk about education in numbers. But statistics flatten the story.

They do not show the girl too malnourished to concentrate in class. The boy who misses school because of chronic cough. The family who needs their child to scavenge waste instead of study algebra.

Education does not begin in the classroom. It begins the night before, in whether a child eats dinner, breathes clean air, and sleeps through the night without coughing.

Back to our Bantargebang story. There, the curriculum is not math or science. It is survival.

Communities living near landfills face a 40% increased risk of asthma, a sevenfold higher risk of dengue fever, and a 72% increase in diarrhoea due to polluted waters. Studies also show a 40% increased risk of head and neck cancers, and a 33% increase in birth defects.

But even though children in Bantargebang may be the worst off, they are not the only ones.



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West Java's Leuwigajah disaster still ranks as the world's second-deadliest waste landslide, burying 71 homes and killing 157 people. Bali's Suwung landfill will shut in 2025 after five fires in seven years forced hundreds to flee. Bandung's Sarimukti blaze in 2023 left 669 people gasping for air with acute respiratory disease.

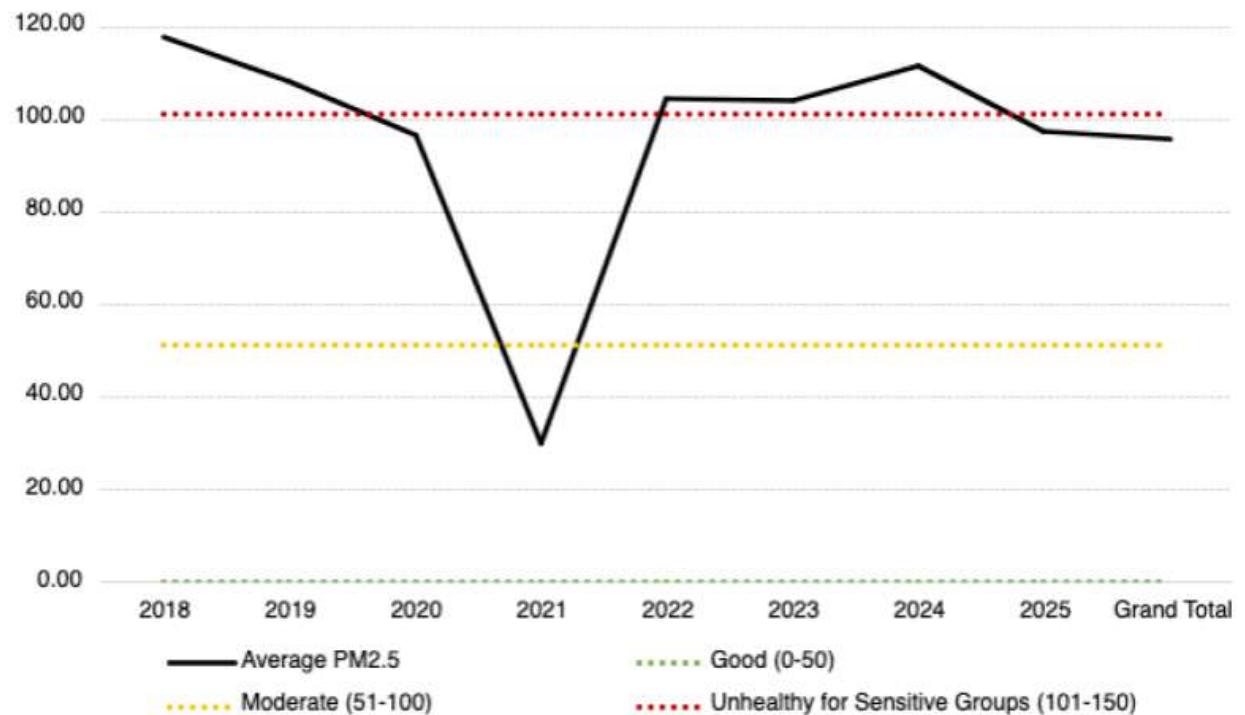


All children deserve a future unbound by waste.

Even then, waste does not respect boundaries. All we need to do is check our phones, in our air quality app of choice.

Trash is a health tax paid in bodies, lungs, and futures. From coastal villages to city streets, trash dictates life in ways people barely register.

Jakarta Air Quality with Thresholds



Source: World Air Quality Index (AQICN)

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Beyond Java, the story repeats. In Padang, plastic waste clogs drainage canals, worsening annual floods that swamp neighborhoods and schools. In Bali, the postcard-perfect beaches of Kuta and Legian are buried under a tide of plastic bottles and sachets every rainy season. In Makassar, coastal villages live alongside mounds of uncollected trash, their fishing grounds shrinking as plastic chokes the shoreline.

The costs are not just moral. They are economic.

Burning trash means dirty air, and dirty air means weaker workers: a 10% deterioration in air quality shaves 0.35–5.5% off labor productivity. Waste mismanagement bleeds GDP: globally, it cost \$361 billion in 2020, or 0.42% of total output.

Unmanaged waste significantly affects GDP and labor productivity, whereas waste management can boost employment, particularly through green jobs.

Indicator	Result	Author
Jobs	Recycling activities supported approximately 757,325 jobs (0.52%) , generated \$36.6 billion in wages, and contributed \$6.7 billion in tax revenue in U.S.	U.S Environmental Protection Agency (2016)
Labor Productivity	Studies show that waste mismanagement contributes to air pollution, which in turn reduces labor productivity . A 10% deterioration in air quality is associated with a 0.35–5.5% drop in labor productivity.	Chang et al. (2019)
GDP	Globally, the direct cost of waste management was estimated at \$252 billion in 2020, with hidden costs such as pollution and health impacts raising the total to \$361 billion (0.42% of GDP) . In Indonesia, food waste alone results in an economic loss of roughly IDR 213–551 trillion per year, equivalent to about 4–5% of the country's GDP .	UNEP (2020), BAPPENAS (2021)

Closer to home, food waste alone drains Indonesia of 14 to 33 billion USD each year, roughly 4–5% of GDP. The World Bank estimates that poor sanitation and waste management already cost Indonesia 2.3% of GDP annually.

Every household pays for waste, even if the bill is invisible. Bantargebang may be the mountain, but the avalanche is everywhere.

The way a nation treats its waste is the way it treats its future. We bury both in the same landfill and hope they do not come back to haunt us.

But of course, they always do.

Turning Liabilities into Assets

If burying trash means burying our future, then the answer is simple: stop burying it. What do you do when the trash keeps piling up and the land runs out?

In some way, you can burn the problem. But the key is to burn it in the right way. The smart way.

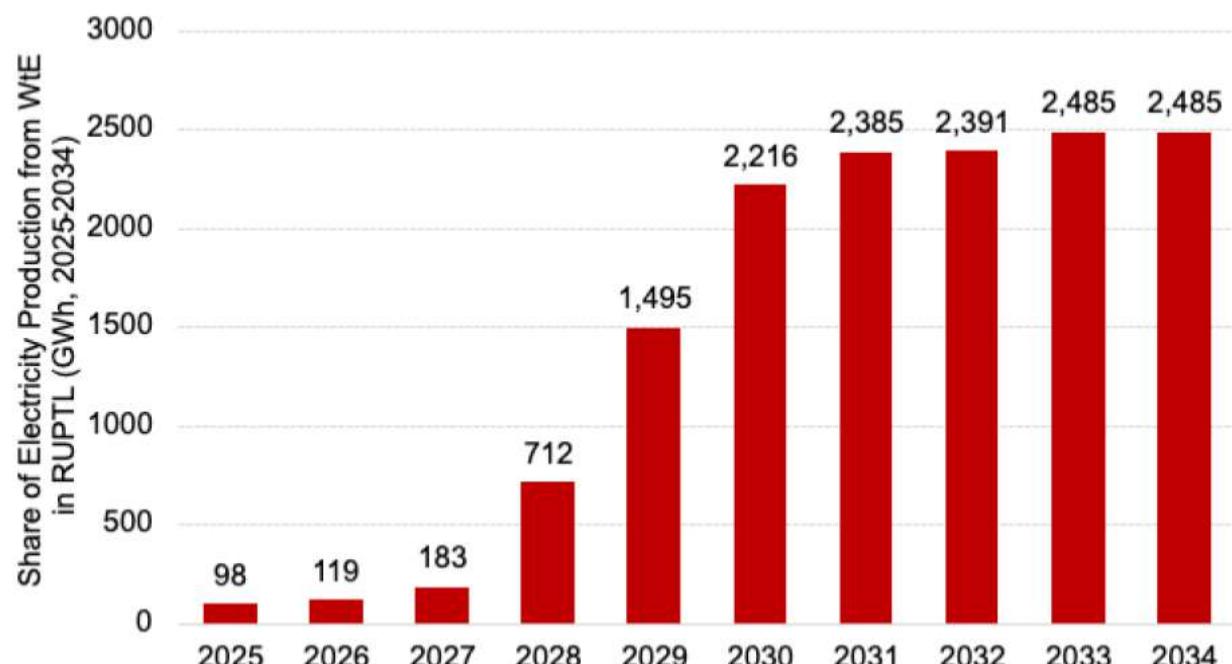
Other nations faced this crossroads years ago. China once produced one kilogram of waste per person per day. Today, its Waste-to-Energy (WtE) plants run so efficiently that in some regions they are running out of trash to burn.

Europe took 50 years to build its WtE industry. China needed 20. Indonesia is only beginning. Each plant can cut emissions by up to 80% when operated effectively, and can shrink landfill needs by 90% over time. If large enough, some plants can even light up a mid-sized city.

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Danantara Indonesia's WtE program will build new plants. Each of them can turn 1,000 tons of trash a day into clean electricity. The power will feed straight into PLN's grid under long-term, subsidized contracts. It is a model designed for sustainability, not just rhetoric.

Each facility runs entirely on electricity sales, and do not involve tipping fees, which landfills usually charge to process trash. That matters. If we have 1,000 tons of trash per day, tipping fees can reach 140 billion IDR per year. In Bantargebang, we saw how the cost of legal disposal drives families to burn their own trash. A cruel irony: living beside mountains of waste, yet unable to afford to throw it away.



Now, local governments take the wheel. They must provide the land free of charge, meet the daily waste supply quota, ensure operational standards, and, eventually, reap the rewards: landfill volumes slashed by up to 90%, cleaner air, fewer illnesses, and lighter budgets with tipping fees gone for good.

As waste clears, so does the city's image, bringing healthier communities, stronger tourism, and rising land value.

Why Danantara Indonesia? WtE is capital intensive. Private markets alone will not fund it when there are projects with higher IRR. Similar to Saudi Arabia's PIF, Singapore's Temasek, or Malaysia's Khazanah, socially impactful infrastructure projects are often the purview of sovereign funds.

That is why Danantara Indonesia is taking on the challenge. WtE sits at the intersection of our dual mandate of investment returns and developmental impact.



What 35 million tons of trash would look like / Illustration by Danantara Indonesia Investor Relations Team

Through Danantara Investment Management (DIM)'s Patriot Bonds, we mobilize both concessionary and commercial capital. It is a blended finance model that unlocks capital for investments that private markets may pass on.

But the real story is not the instrument. It is the investors behind our oversubscribed Patriot Bonds.

None of this would be a reality without the support of Indonesia's leading business groups. These are the people that built industries, from plantations to steel mills, over decades of Indonesia's economic history.

They know as well as anyone that clean air and reliable power are the foundations on which every other business rests. That is a kind of leadership markets cannot command. Only conviction can.

Pollution is Not Permanent: A Lesson from China

Not long ago, China was synonymous with pollution. Images of Beijing's air, thick with smog, plastered across international media.

Two decades later, the transformation is staggering. Chinese cities still have bad-air days. But between 2013 to 2022, particulate matter, or the tiny particles suspended in the air we breathe, declined by 41%.

Behind the scenes, WtE has been one of the quiet workhorses of that transition.



A Shenzhen WtE plant / Photo credit: Schlaich Bergermann Partner

China built hundreds of WtE plants, each one cutting landfill needs by 90% and slashing methane emissions, one of the most potent greenhouse gases. By 2020, China's annual WtE capacity hit 193 million tonnes, rivaling or surpassing Europe despite Europe's half-century head start.

Waste that once poisoned air and water now powers homes, schools, and factories.

For Indonesia, this is not just an engineering lesson. It is a mindset shift. Pollution is not permanent. Waste is not inevitable. With scale, urgency, and the right blend of capital, a country can turn its greatest liabilities into assets.

WtE is just the beginning. Our portfolio approach means WtE complements higher-yield projects, and the broader scope of our renewables mix. Through waste management, it is the environmental and health anchor. Through Patriot Bonds, it is also a trust anchor.

A reminder that the private sector can choose to compound not only profits, but the future of the nation itself.

Light at the End of the Plastic Bottle

The challenges that we are facing as a nation should not distract from the fact that Indonesia is a great place to live in.

Ask the World Happiness Report, where we consistently rank higher than most would expect. Ask foreign visitors and they will point to our warmth, our humor, our ready smiles. Ask political scientists and they will note a nation that is stable, peaceful, and, in a world of turmoil, blessedly free of war.

Pollution is real, inequality is real. But so is a quality of life that keeps people rooted here.

That optimism also lives in Bantargebang.

We met Niken, an elementary school teacher working a stone's throw from the landfill gates. When we asked whether the children still dream, she laughed with a kind of *gregetan*: that uniquely Indonesian mix of frustration and urgency.



Niken speaks with equal parts despair and hope. Despair at today's reality, hope that faith in tomorrow still endures.

But then she beamed: "Of course! Pilot, teacher, doctor. Just like any other child." One pragmatic boy even said he wanted to work as a technician at a waste facility.

We met Savitri, who has called the landfill home for 35 years. She remembers when it was all green fields of rambutan and starfruit trees.

Aged out of scavenging, Savitri gathered her savings and took out a bank loan to open a *warung*, a small kiosk. She insists on doing things "the proper way": registering for an identity card, a family card, paying her taxes.

“Saya tidak apa-apa kalau saya bodoh, asal cucu-cucu saya tidak ikut bodoh,” she said. I am fine being uneducated, as long as my grandchildren are not.



Savitri, one of the community's longest settlers, runs a small shop by the landfill gates. Beyond selling essentials, she organizes donations and anchors her neighbors in solidarity.

What we saw was not just poverty. It was a system: health, education, environment, income, all feeding back into each other, locked in a cycle born of waste. Children absorb not only toxins, but also the quiet message that their world is bounded by it.

And yet, there is hope. Fragile, stubborn, unmistakable.

If people who live among mountains of trash can still look forward, still fight for their children's futures, what excuse do the rest of us have?

Optimism is their inheritance. Our job is to compound it.

That is why Danantara Indonesia exists. Not just to fund what is profitable, but to finance what matters. To mobilize the capital that builds not only power plants, but also trust. To prove that the long arc of Indonesia's story bends not only toward growth, but toward dignity.

The future is not what we bury. It is what we choose to build.

Find out more about WtE on our official YouTube channel

youtube.com/@Danantara.Indonesia

Did You Know?



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Photo credit: Yannis H / Unsplash

Indonesia has a distinct DNA when it comes to philanthropy. We were the world's most generous country in 2024, according to the Charities Aid Foundation (CAF)'s World Giving Index.

It was the seventh consecutive year that we held the top spot.

Indonesia ranked first globally for monetary donations (90%) and volunteering (65%), with an overall score of 74 points.

Danantara Indonesia Diaries is a newsletter produced by Danantara Indonesia's investor relations team.

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Thank You



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