

# Indonesia's Climate Policies

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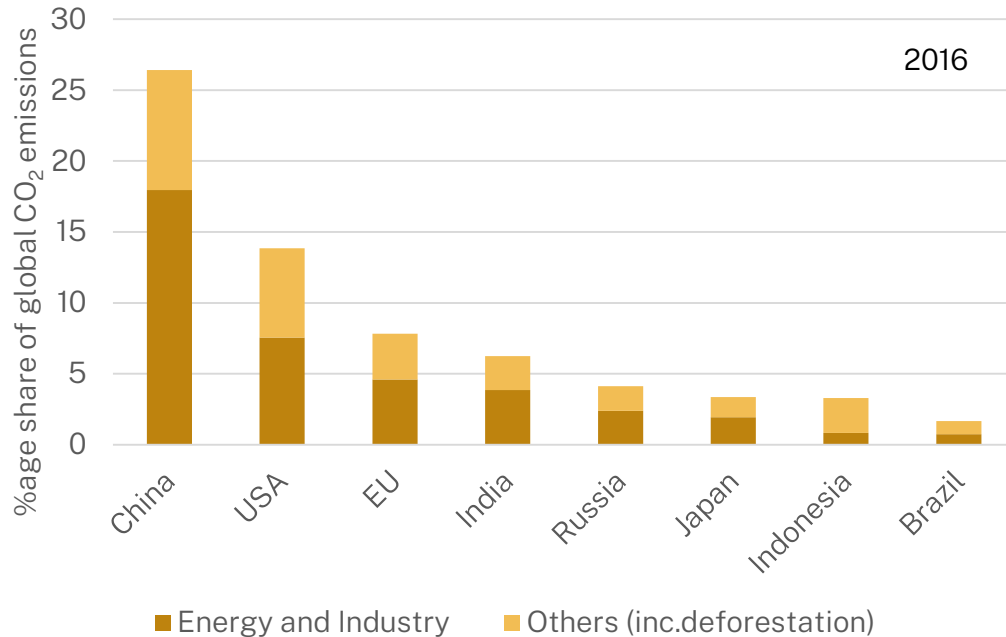
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# Top CO<sub>2</sub> Global Emitters



Indonesia is among the top global 10 CO<sub>2</sub> emitters.

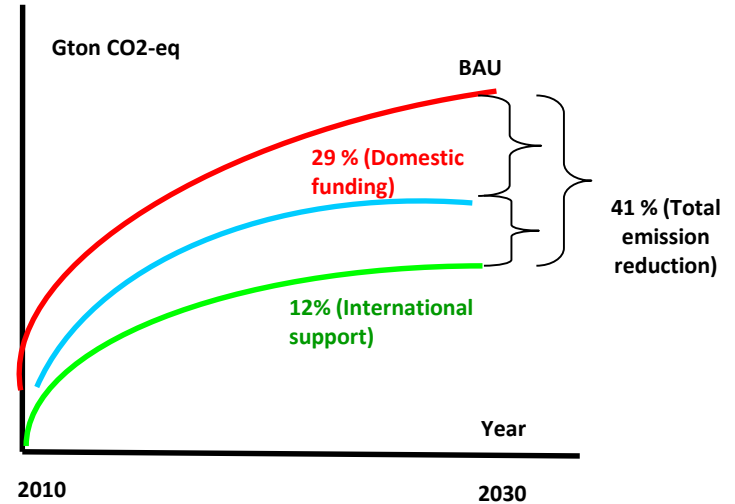
The majority of Indonesia's emissions comes from land use change, deforestation and forest degradation.

But just counting emissions from combustion activities, Indonesia is still among the top CO<sub>2</sub> emitters.



# Nationally Determined Contribution (NDC)

- In January 2016, Indonesia submitted its first NDC to the United Nations Framework Convention on Climate Change (UNFCCC):
  - Indonesia would reduce its CO<sub>2</sub> emission as much as 29% below business-as-usual by 2030, or ...up to 41% with international assistance.
  - Besides forestry, significant reduction would come from **the energy sector**.
- COP26 at Glasgow (31 Oct – 12 Nov 2021): Besides the updated NDC, Indonesia also committed the target of Net-Zero Emissions by 2060 or sooner ... and carbon neutrality in the forest sector by 2030.



- COP27 at Sharm El-Sheikh (6 -18 Nov 2022): Indonesia increased its target for reducing greenhouse gas emissions through its own efforts from 29 percent to 31.89 percent and through international support from 41 percent to 43.2 percent by 2030.

# Energy Sector

## Renewable power plants off-Java & transforming Java into a green economy

Ministry of Energy & Mineral Resources

Ministry of Finance

Ministry of Industry

Ministry of Industry

National Planning Agency

Coordinating Ministry of Maritime & Investment

### Green economy

- Renewable electricity power plants, initially focus on off-Java islands.
  - 2030-31: RE target of 42% & Phase I coal/steam power plant retirement.
  - ≤ 2060: 100% renewable energy.
- Electric vehicles, infrastructures and related industries, initially focus on Java.
  - 2050: 4.2 million e-cars, 8 thousand h-cars & 13 million e-motorcycles (80% of total vehicles) with 10 thousand charger units.
- Green industries → introducing the ESG (environment, social & governance) concepts.

### Introducing carbon value/price

- Trade Instruments (2025):
  - Emission Trading System
  - Emission Offset/Crediting Mechanism.
- Non-trade Instruments (2022) --> revenues for & investments in green

tech.:

Carbon Price: Detail Implementation and coordination among institutions ?

- Carbon Tax



# Potential International Cooperation

## Knowledge & technical cooperation for micro-policy development.

- Regulations, detailed programs, and possibly institutional reforms are required to successfully transform Indonesia's energy sector and develop green industries.
- Key topics include :
  - Renewable power plant development: initially off-Java, then Java or DC inter-island networks
  - Financing early retirement of coal power plants
  - Electric transportation sector on Java.
- Collaboration between US and Indonesia research/think tanks are crucial.

## Green economy investments.

- Indonesia's energy transition will be difficult without significant foreign investments.

