
PRESS RELEASE

Indonesia and International Partners Secure Groundbreaking Climate Targets and Associated Financing

November 15, 2022

Bali, Indonesia – Today, at the Partnership for Global Infrastructure and Investment (PGII) event at the G20 Summit, President Joko Widodo of Indonesia and leaders of the International Partners Group (IPG) of likeminded countries, co-led by the United States and Japan, and including Canada, Denmark, the European Union, France, Germany, Italy, Norway, and the United Kingdom, launched a Just Energy Transition Partnership (JETP) developed with Indonesia during its G20 Presidency. The landmark partnership supports an ambitious and just power sector transition in Indonesia, consistent with keeping 1.5 °C global warming limit within reach.

Indonesia will work, with support from international partners, to develop a comprehensive investment plan to achieve significant new targets and policies to reduce GHG emissions and support impacted communities by:

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- Peaking total power sector emissions by 2030, shifting its projected emissions peak forward.
 - Capping power sector emissions at 290 megatons of CO₂ in 2030, down from baseline value of 357 MT CO₂.
 - Establishing a goal to reach net zero emissions in the power sector by 2050, bringing forward Indonesia's net zero power sector emissions target by ten years.
 - Accelerating the deployment of renewable energy so that renewable energy generation comprises at least 34 percent of all power generation by 2030, which would roughly double the total renewables deployment over the course of this decade compared to current plans.

To achieve these targets, this long-term partnership intends to mobilize an initial \$20 billion in public and private financing over a three-to-five-year period, using a mix of grants, concessional loans, market-rate loans, guarantees, and private investments. Contributions to the JETP include \$10 billion in public sector pledges, and \$10 billion in private investment from an initial set of private financial institutions coordinated by the Glasgow Financial Alliance for Net Zero (GFANZ), including Bank of America, Citi, Deutsche Bank, HSBC, Macquarie, MUFG, and Standard Chartered. The partnership will also leverage the expertise, resources, and operations of the multilateral development banks.

A successful partnership is expected to help shift Indonesia's power sector peaking date forward by approximately seven years and result in a cumulative reduction of more than 300 megatons in greenhouse gas emissions through 2030 and a reduction of well above 2 gigatons through 2060 from Indonesia's current trajectory.

Over the next six months, the Parties will work together to develop a concrete plan for investments, financing, and technical assistance to support these ambitious goals.

Indonesian President Joko Widodo stated that "Indonesia is committed to using our energy transition to achieve a green economy and drive sustainable development. We are grateful for the cooperation and the support from our international partners to realize its full implementation that will accelerate this transition. This partnership will generate valuable lessons for the global community and can be replicated in other countries to help meet our shared climate goals through concrete collaborative actions."

U.S. President Biden emphasized the importance of this partnership, saying, “Indonesia has shown tremendous leadership and ambition throughout the development of this partnership. The resulting new and accelerated targets demonstrate how countries can dramatically cut emissions and increase renewable energy while advancing a commitment to creating quality jobs and protecting livelihoods and communities.”

Japan’s Prime Minister Kishida Fumio said, “Japan welcomes the launch of the Partnership, which supports Indonesia’s commitment towards the 1.5 degree target. Japan will continue to co-lead the Partnership with the U.S., in coordination with the other partner countries, and accelerate Indonesia’s realistic but ambitious transition from coal to renewable alternatives with further private sector engagement.”

Prime Minister of Canada Justin Trudeau said, “Developing clean energy is a central part of addressing climate change and moving to a more secure, sustainable, and strong global economy. Through this new partnership, Canada will help Indonesia meet its climate and energy goals, drive up renewable energy generation, invest in communities and workers and reduce emissions while enhancing energy security.”

President of the European Union, Ursula von der Leyen said, “The Just Energy Transition Partnership for Indonesia will chart a roadmap to a greener, cleaner future in the country – and a future full of opportunities for the Indonesian people. They will be the ones reaping the benefits of the transformation of their economy, as Indonesia becomes a renewables hub.”

“France is proud to be part of this ambitious partnership to support Indonesia’s commitment to reach carbon neutrality to boosting the deployment of renewable energy. This partnership will support Indonesia’s development and will create many economic opportunities in a just way that leaves no one behind,” said Emmanuel Macron, President of France.

German Chancellor Olaf Scholz said, “At the G7 Summit in Elmau, the G7 and international partners pushed forward Just Energy Transition Partnerships. Our progress together with Indonesia is a strong signal that accelerating climate action goes hand in hand with a just transition and economic prosperity. This JETP is a lighthouse project for multilateral cooperation, energy transition and sustainable investment.”

Italy's Prime Minister Giorgia Meloni said, "Italy is proud to be part of the Just Energy Transition Partnership, an ambitious platform that will provide substantial financial resources and technical assistance to power Indonesia's energy transition away from fossil energy sources towards renewables."

“Norway is delighted to be able to contribute to this partnership and support Indonesia’s effort to speed up the energy transition. We believe this can mobilize much needed private capital to accelerate the deployment of renewable energy and efficiently contribute to large scale reduction of emissions to limit the climate crisis,” said Jonas Gahr Støre, Prime Minister of Norway.

UK Prime Minister Rishi Sunak said, “I am proud to launch a new Just Energy Transition Partnership with the Government of Indonesia. This will unlock billions in private finance for new green infrastructure.”