

Indonesia: Future Green Leader's Goals

A group of developed countries has unveiled a multibillion-dollar plan to assist Indonesia in accelerating its switch to renewable energy sources, which could result in a significant decrease in the number of gases that trap heat globally and position Indonesia as a regional leader in green technologies. The Just Energy Transition Partnership was introduced outside of the G-20 conference in Bali. It is a component of a bigger program called the Partnership for Global Infrastructure and Investment, which the G-7 announced last year to compete with China's Belt and Road Initiative, which spans the globe. Members of the International Partners Group (IPG), which is co-led by the United States and Japan and includes Denmark, Canada, Germany, France, Italy, Norway, and the United Kingdom, will work with Indonesia. Over the next three to five years, they plan to try to generate an initial \$20 billion for the project from both public and private sources.

According to a news release from the European Commission, Ursula von der Leyen stated that "the Just Energy Transition Partnership (JETP) with Indonesia will set a route for a greener, cleaner... future full of opportunity for the Indonesian people." According to the statement, they will profit most from their economy's development as Indonesia develops into a center for renewable energy. According to the agreement, Indonesia will take the lead in putting up the Partnership Action Strategy, a detailed investment plan, over the course of the following six months. The plan aims to phase out coal-fired electricity generation and increase the usage of renewable energy sources, bringing the country's power sector to net-zero greenhouse gas emissions by 2050 – a full decade earlier than anticipated under current predictions.

The World Bank, the Asian Development Bank, and the Climate Investment Fund are all expected to help with the project through their expedited coal transition programs. The collaboration is the second of its kind, following the debut of a comparable JETP with South Africa at the COP26 climate summit in Glasgow the previous year.

According to John Morton, the first climate advisor for the U.S. Treasury and a well-known expert in climate finance, the new JETP is perhaps the biggest nation-specific climate investment partnership ever based on the investment value brought together under its rules. If the partnership's objectives are fully met, total emissions will drop by more than 2 gigatons by 2060 compared to business as usual, or roughly 300 megatons between now and 2030. "For context, Morton explained that 300 megatons are the same as removing half of the country's passenger automobiles from the road for a year. Two gigatons are equal to 15% of the annual global emissions from the electricity sector. Therefore, we are working with Indonesia to attain these globally significant numbers and are funding that goal."

Greenpeace Indonesia's energy and climate manager Tata Mustasya thinks that if Indonesia adopts legislative frameworks that give disincentives for coal and incentives for clean and renewable energy, it will be able to achieve these lofty targets. However, he underlined that there is no tolerance for conflicting messages and that the Jakarta administration must implement institutional and systemic changes as well as take decisive action to shut down coal power plants. According to Mustasya, "the phase-out of coal and transition to clean and renewable energy should meet economic justice and ecological justice." The government must make sure that energy is accessible and reasonably priced, including for groups with low incomes. He urged Indonesia to make sure that coal miners and workers in coal power plants would have a peaceful transition.

To ensure that the funds are used properly, Andry Satrio Nugroho, head of the Center for Industry, Trade, and Investment at the Institute for Development of Economics and Finance, a research organization with offices in Jakarta, called for oversight by a designated financial institution and international partners. He admitted that "so far, our problem is that we develop energy transition

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plans without sufficient monitoring." "Because of this lack of concentration, planned energy transition projects are susceptible to returning to business as usual. For a genuine energy transition, we must make fundamental changes."

Most of Indonesia's electricity is still produced by coal-fired power plants. In the future, if an energy transition is not successfully achieved, it could result in a brief energy crisis, Nugroho said. A multiplier effect could result in sharply rising inflation and skyrocketing food costs.

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