



Study on the Financial Implications of the
Early Retirement of Coal-fired Power Plants
in Indonesia

Deliverable 4 (f): Suggested donor/development partner interventions and coordination tools and strategies for the development partner community



By:



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UNOPS
Energy Transition Partnership

Deliverable 4

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Glossary

ADB	Asian Development Bank
BESS	Battery energy storage system
BPP	Electricity generation basic cost (<i>Biaya Pokok Penyediaan</i>)
CAPEX	Capital Expenditures
CATA	Coal Asset Transition Accelerator
CCGT	combined cycle gas turbine
CCS	Carbon Capture & Storage
CCUS	Carbon Capture Use & Storage
CF	Capacity Factor
CFPP	Coal-Fired Power Plant
COD	Commercial Operation Date
COP	UN Climate Change Conference
CRR	Coal Retirement Roadmap
CT	Carbon Tax
DFI	Development Finance Institutions
EBITDA	Earnings Before Interests, Taxes, Dividends and Amortization
ETM	Energy Transition Mechanisms
ETP	Energy Transition Partnership
ETS	Emission Trading Scheme
EU	European Union
EUR	Euros
FCDO	UK Foreign, Commonwealth and Development Office
FIRE	Friends of Indonesian Renewable Energy
GDP	Gross Domestic Products
GHG	Greenhouse Gases
GW	Gigawatt
IDR	Indonesian Rupiahs
IGCC	Integrated gasification combined cycle
IPP	Independent Power Producer
JTM	Just Transition Mechanism
JTT	Just Transition Transaction

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KEN	Indonesia's National Energy Policy
kWh	kilowatt-hour
LCDI	Low Carbon Development Indonesia
LCOE	Levelized Cost of Energy
LTS-LCCR	Long-Term Strategy for Low Carbon and Climate Resilience
MEMR	Ministry of Energy and Mineral Resources
MOEF	Ministry of Environment and Forestry
MOF	Ministry of Finance
MOSOE	Ministry of State-Owned Enterprises
MtCO ₂ e	Megatons of CO ₂ equivalent
MW	Megawatt
NDC	National Determined Contribution
NRE	New Renewable Energy
ETP NZE	Net Zero Emissions Scenario
OPEX	Operation Expenditures
PLN	Perusahaan Listrik Negara
PPA	Power Purchase Agreement
PV	Photovoltaic
RE	Renewable Energy
RUEN	National Energy General Plan
RUPTL	National Electricity Supply Plan
SOE	State Owned Enterprise
STEM	Science, Technology, Engineering and Mathematics
US\$	US Dollars
VAT	Value-added tax
VRE	Variable Renewable Energy

Executive Summary

Indonesia's coal phase-out transition will require ample financial support and technical assistance from development partners to be full realized. With many donors and development partners already vying for an opportunity to take part in this transition, effective coordination will be needed to ensure that Indonesia can identify the most promising opportunities and maximize the benefits to be reaped from them. This report has devised potential coordination strategies that can be used to manage this ongoing influx of development partners and donors.

Coordination between JETP and the government of Indonesia will be key to ensure the support of the partnership best used in the coal phase-out transition. In February 2023, the JETP Secretariat was launched to serve as a coordinator for internal and external stakeholders of JETP and lead planning and project development. JETP will also establish working groups centered around five different themes: technical, policy, financing, just transition, and electrification & energy efficiency. These working groups will comprise of different development partners, each one led by a different development partner.

To maximize JETP's potential to support Indonesia's Just Energy Transition, it needs to effectively coordinate with the Indonesian government in carrying out the needed activities for the transition. Although some interactions between JETP and the Indonesian government have been mentioned, formal coordination has not been clearly defined yet. Multiple lines of coordination between the working groups and specific ministries or agencies of the government are proposed:

- Fiscal Policy Agency (BKF), to coordinate with the Policy and Just Transition working groups, due to its position as the manager of Indonesia's just energy transition.
- PT Sarana Multi Infrastruktur (PT SMI), to coordinate with the Financing working group, due to its role as Indonesia's Energy Transition Mechanism (ETM) Country Platform Manager in developing a financing and investment framework for the ETM program toward a just and affordable energy transition for Indonesia.

Ministry of Energy and Mineral Resources (MEMR), to coordinate with the Technical and Electrification & Energy Efficiency working groups, due to its capacity to engage on technical discussions regarding the energy transition.

In addition, the involvement of Indonesian government ministries in the working groups themselves should aim to engage, both at a high-level (e.g., Directorate General level, who, as a decision maker, can make quick decisions when needed) and at a working-level (e.g., Director & Deputy Director Level, who can execute the actions on the ground).

Legal basis for this coordination structure can be created through a presidential decree. This makes it not only so that responsibilities defined for a ministry or agency are binding but also that they are granted clear authority to carry them out, especially when considering the execution of actions that may involve exercising authority over other ministries.

In addition, the creation of a Steering Committee is suggested to engage representatives from each JETP working group and their corresponding ministry or government agency, as well as from the JETP Secretariat, to further coordinate these different lines of communication. This committee would be led by the Coordinating Ministry for Maritime and Investments Affairs.

However, given that an energy transition will take a long time that will exceed the defined scope of JETP, an analysis of what happens after the JETP Secretariat finishes their role and responsibilities ought to be conducted to ensure that their efforts to advance the energy transition can be continued. What the government can do and how they can rally for further support ought to be analyzed well before the anticipated conclusion of the JETP Secretariat's operation.

The Indonesian government requires a proper system for managing the large number of potential opportunities for receiving financial and technical support from development partners. Without a proper system, the Indonesian government can face some risks that can jeopardize the success of the energy transition, including inefficient use of time and resources of government ministries; the execution of redundant projects; contradictory recommendations; disjointed progress; and poor quality of advice.

One way to manage these opportunities is through the appointment of a “gatekeeper” who would oversee and initially assess incoming opportunities for Indonesia’s energy transition. The “gatekeeper” would make high-level decisions regarding whether such opportunities ought to be channeled to the relevant ministry or rejected altogether. Some assessments that the gatekeeper would need to conduct include determining whether a project aligns with Indonesia’s energy transition goals, assessing the project value, and determining which ministry ought to be involved.

PT SMI is well-positioned to take on the “gatekeeper” position since it has been appointed the ETM Country Platform Manager by the Indonesian government.¹ In addition, PT SMI is expected to coordinate with the JETP Secretariat for financing. Given PT SMI's existing collaborations with a range of institutional partners, including grant, financing, knowledge and technical, and investment partners, they are well-positioned to serve in this capacity and effectively channel future financial and technical support to Indonesia's energy transition.

An online platform can also be created to facilitate the channeling of potential financing and technical support to much needed activities in Indonesia’s energy transition, as defined by the Indonesian government. This platform would be managed by the Indonesian government and would allow different ministries to announce their needs for support in different coal retirement-related efforts, including retirement and repurposing, inviting donors and development partners to submit proposals to provide the financing and/or technical support required. Interested donors and development partners would then be able to use the platform to submit proposals, which the Indonesian government would be able to review to determine the development partner with whom to collaborate.

Mapping past and ongoing financial support and technical assistance from donors and development partners can support the GOI to select the most promising partners in the future for a specific intervention. By examining the

¹ PT SMI (2022). [Indonesia Launches ETM Country Platform to Accelerate Just and Affordable Energy Transition](#). 14 November.

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types of support that have been provided by prominent institutions in relevant sectors, Indonesia can identify potential interventions in the future for its energy transition. The mapping provides detailed information on the project, including type of assistance (loan, grant, technical assistance, etc.), amount disbursed, project description, and activities carried out. Plus, a statement on how these projects are relevant and could be the basis for future interventions in Indonesia.

This study has identified the following donors and development partners, and the projects they have supported in Indonesia, that could serve as precedent for future work :

Donor/development partner	Project/potential energy transition-related intervention in the future
Multilateral Development Banks	
Asian Development Bank (ADB)	Electricity transmission and distribution Renewable energy generation Energy sector development and institutional reform Small and medium enterprise development
World Bank Group (WBG)	Electricity transmission and distribution Renewable energy
Islamic Development Bank (IsDB)	Renewable energy Energy efficiency Energy infrastructure (Islamic finance towards climate finance is also discussed)
Asian Infrastructure Investment Bank (AIIB)	Electricity transmission and distribution
Government Agencies	
Japan International Cooperation Agency (JICA)	Renewable energy Renewable energy policy Low-carbon technology

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Donor/development partner	Project/potential energy transition-related intervention in the future
Swiss State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC)	Tertiary education Energy efficiency
USAID	Renewable energy Energy efficiency
Philanthropies	
IKEA Foundation	SME support Energy policy

Report Structure

Report F constitutes Phase 3 of the Energy Transition Partnership (ETP) funded study, aimed at providing recommendations to the donor and development community. This report focuses on the outcomes of a mapping exercise that comprehensively assessed all interventions. Its primary audience is JETP and the Indonesian government, as it begins to gain momentum, along with the broader community, with the objective of enhancing efficiency. Drawing upon the project's execution and the lessons learned, this report presents a set of recommendations derived from the comprehensive mapping exercise of donor and development interventions in Indonesia.

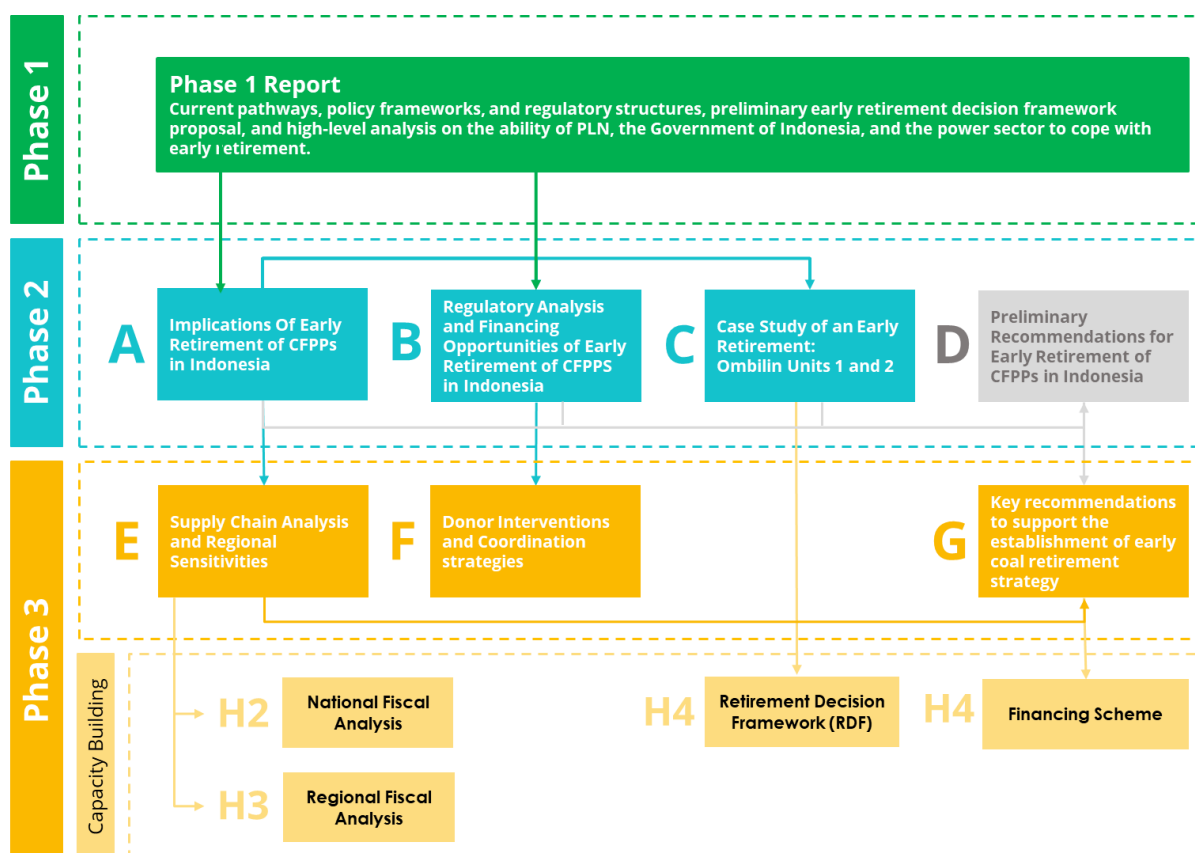
This report is part of an Energy Transition Partnership (ETP) funded study that aims to analyze, evaluate, and provide suggestions on the retirement pathways for CFPPs with respect to their financial implications to PLN and the GOI.

Phase 1 examined the current pathways, policy frameworks, and regulatory structures, providing insights into their implications and identifying opportunities and risks. Also provides a retirement decision framework proposal. It conducted a high-level analysis which developed a hypothesis on the ability of PLN, the GOI, and the power sector to cope with early retirement. The hypothesis that the GOI is an enabler for early retirement through its interventionist policies and has a unique opportunity to transition to a lower carbon power system given the international interest in unlocking its renewable energy potential was consulted with stakeholders. The output of Phase 1 is: Phase 1 Report.

Phase 2 of this study goes a level deeper than Phase 1, resulting in Reports A – D. In this phase the study examined the current pathways, policy frameworks, and regulatory structures, providing insights into their implications and identifying opportunities and risks, and provides a retirement decision framework proposal **[Report A]**. In addition, it analyzed the regulatory environment and financing opportunities of early retirement of coal-fired power plants **[Report B]**. This phase also showcased a retirement program using Ombilin units 1 and 2 as a case study to illustrate what early retirement would imply **[Report C]**. Finally, preliminary recommendations were presented considering the outcomes and findings of the study until the end of Phase 2 **[Report D]**.

Phase 3 takes what was produced in Phase 2 and results in Reports E to H. This phase evaluated the indirect effects of CFPP retirements on supply chains, examining their implications for short- and long-term including regional sensitivities to examine the impact on East Kalimantan and South Sumatra [**Report E**]. An in-depth analysis on donors and their activities to suggest donor interventions to support early retirement of CFPP was also conducted [**Report F**]. In addition, key recommendations for policy makers to support the establishment of early coal phase out strategy were developed refining and substituting recommendations presented in Phase 2 [**Report G**]. Finally, a series of capacity building materials designed for relevant ministry staff, focusing on assessment and analysis methodologies on the retirement decision framework, fiscal analysis, and financial proposals were presented [**Report H**].

Figure 0.1 Study report's structure



1. Donor/Development Partner Coordination Strategies

The significant amount of support that Indonesia is receiving from donors and development partners around the world to aid its energy transition will necessitate a robust system for managing the influx of potential financing opportunities and identifying the most worthwhile ones. Establishing an efficient system to channel the appropriate support to projects related to the country's energy transition will be invaluable in helping Indonesia meet its climate goals in a timely manner. Coordination tools and strategies have been devised to help address this.

1.2 Coordination between JETP and the Indonesian government

With the launch of the Just Energy Transition Partnership (JETP) in Indonesia in November 2022, another opportunity for coordination among donors and development partners towards the early retirement of CFPPs was presented. The governance structure of the JETP involves three parties the Government Decarbonization Task Force, the IPG task force, and the JETP secretariat²

In February 2023, the JETP Secretariat was launched, created to serve as a coordinator for internal and external stakeholders of JETP and lead planning and project development for JETP. The Secretariat will also manage the day-to-day implementation of Indonesia's energy transition to low carbon that is sustainable, just, and supportive of Indonesia's economic growth. Among those that will engage in the JETP Secretariat are Indonesian government ministries, PLN, ADB, and other development partners. The Secretariat is to be hosted in the Ministry of Energy and Mineral Resources (MEMR) and supported by the Asian Development Bank.

² OCHA Services. (2023). Programme Management Advisor (Senior Industrial Economist), Retainer, LICA-11, Jakarta. From: <https://reliefweb.int/job/3977926/programme-management-advisor-senior-industrial-economist-retainer-lica-11-jakarta>

JETP will also establish working groups centered around five different themes: technical, policy, financing, just transition, and electrification & energy efficiency. These working groups will comprise of different development partners, each one led by a different development partner (Figure 1.1). These working groups will also be supported by PLN, MEMR, Ministry of Industry, Ministry of Finance, PT SMI, BAPPENAS, and Chamber of Commerce and Industry. These working groups are still subject to modifications and could include other donors and partners as the JETP in Indonesia evolves.

Figure 1.1 JETP Working Groups³



To maximize JETP’s potential to realize Indonesia’s just energy transition, it needs to effectively coordinate with the Indonesian government in carrying out the needed activities for the transition. Although some interactions between JETP and the Indonesian government have been mentioned, formal coordination has not been clearly defined. We propose multiple lines of coordination between the working groups and specific ministries or agencies of the government:

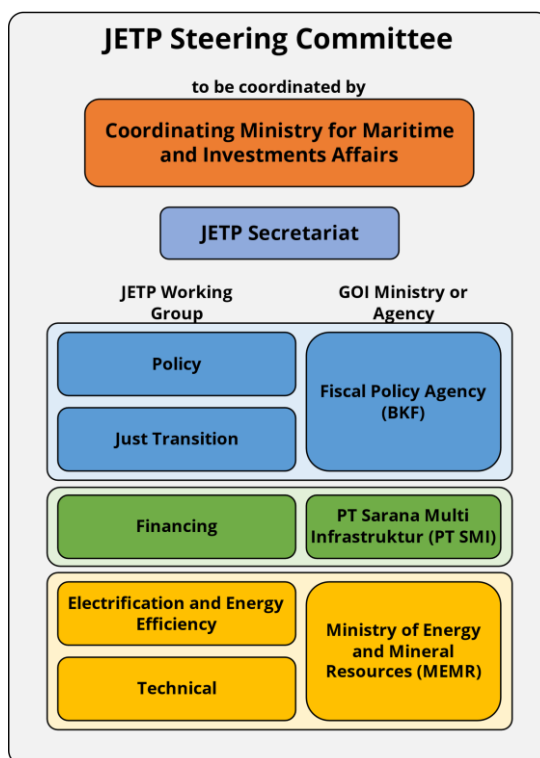
³ Coordinating Ministry for Maritime Affairs and Investment Republic of Indonesia

- Fiscal Policy Agency (BKF), to coordinate with the Policy and Just Transition working groups, due to its position as the manager of Indonesia’s just energy transition.
- PT Sarana Multi Infrastruktur (PT SMI), to coordinate with the Financing working group, due to its role as Indonesia’s Energy Transition Mechanism (ETM) Country Platform Manager in developing a financing and investment framework for the ETM program toward a just and affordable energy transition for Indonesia.
- Ministry of Energy and Mineral Resources (MEMR), to coordinate with the Technical and Electrification & Energy Efficiency working groups, due to its capacity to engage on technical discussions regarding the energy transition.

In addition, the involvement of Indonesian government ministries in the working groups themselves should aim to engage, both at a high-level (e.g., Directorate General level, who, as a decision maker, can make quick decisions when needed) and at a working-level (e.g., Director & Deputy Director Level, who can execute the actions on the ground).

A Steering Committee, which would engage representatives from each JETP working group and their corresponding ministry or government agency, as well as from the JETP Secretariat, would also be created to further coordinate these different lines of communication. This committee would be led by the Coordinating Ministry for Maritime and Investments Affairs. Figure 1.2 illustrates these interactions.

Figure 1.2 Possible interactions between JETP and the government



Legal basis for this coordination structure can be created through a presidential decree. This makes it not only so that responsibilities defined for a ministry or agency are binding but also that they are granted clear authority to carry them out, especially when considering the execution of actions that may involve exercising authority over other ministries.

However, given that an energy transition will take a long time that will exceed the defined scope of JETP, an analysis of what happens after the JETP Secretariat finishes their role and responsibilities ought to be conducted to ensure that their efforts to advance the energy transition can be continued. What the government can do and how they can rally for further support ought to be analyzed well before the anticipated conclusion of the JETP Secretariat's operation.

1.3 Management of potential financing and technical assistance opportunities

Given the large number of potential opportunities for receiving financial and technical support from development partners, as demonstrated by JETP, the Indonesian government still needs a proper system for managing them. Without a proper system, the Indonesian government can face some risks that can jeopardize the success of the energy transition. Table 1.1 describes some of these risks.

Table 1.1 Risks of not having a system for managing developmental opportunities⁴

Risk	Description
Inefficient use of time and resources	The influx of development agencies seeking to fund projects in Indonesia can result in a large volume of communication between these agencies and relevant ministries. This can lead to an inefficient use of staff time in ministries, as key members and other employees continually meet with development agencies. Given that not all proposed opportunities may be promising, ministry members and employees may end up misusing their time and resources that could otherwise be used on more productive endeavors, posing a risk of inefficient use of time and resources.
Redundant projects	If ministries do not have effective communication channels to coordinate ongoing projects, there is a risk of duplication or overlapping efforts. This may lead to a missed opportunity to allocate resources effectively towards areas critical to Indonesia's energy transition, potentially slowing down progress towards achieving its climate goals. Therefore, a coordinated approach to

⁴ IMF PMF Blog. 2012. [Why a Reform-minded Minister of Finance Needs a Strategic PFM Advisor as Gatekeeper.](#)

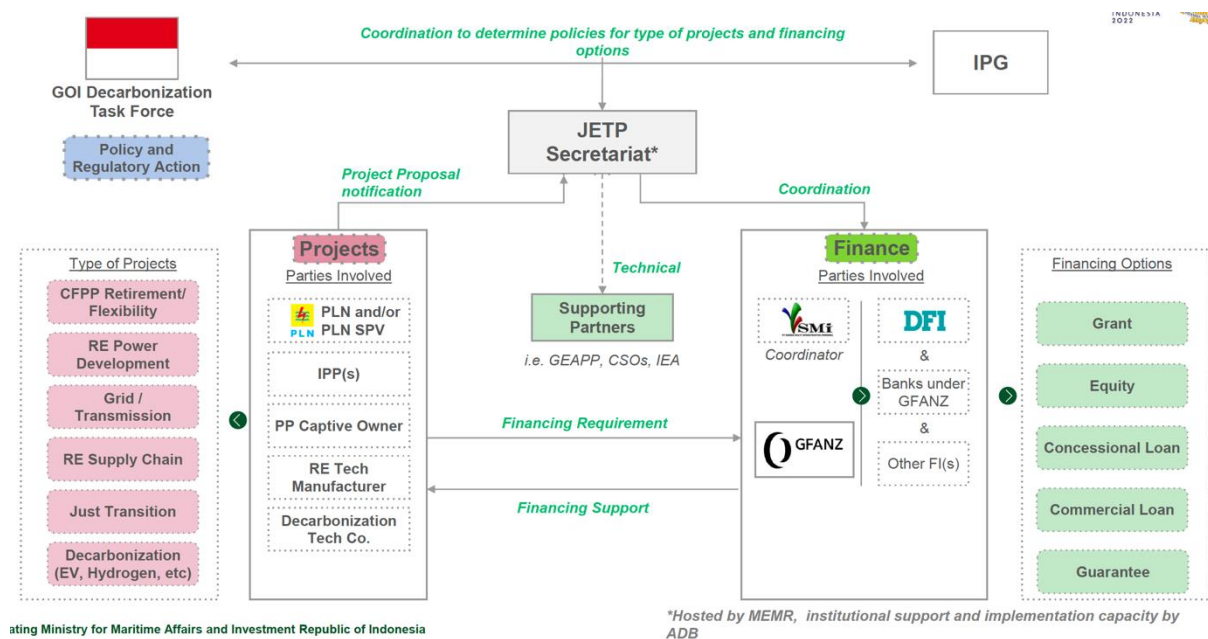
Risk	Description
	project management and communication between relevant ministries is essential to avoid redundancy and maximize the impact of resources.
Contradictory recommendations	When multiple projects are working towards the same goal, there is a risk of conflicting recommendations being presented to the government. This can create confusion and potentially lead to a lack of clarity on the best path forward for the energy transition, which may impede progress towards achieving Indonesia's climate goals.
Disjointed progress	The success of a just energy transition is dependent on the synchronized progress of various socio-economic areas in line with an overall plan. However, a lack of coordination among relevant ministries in managing individual projects can result in disjointed progress, with some areas advancing while others lag. This uneven progress may ultimately hinder the achievement of a successful energy transition.
Poor quality of advice	To ensure that projects in different sectors contribute to the overall success of Indonesia's energy transition, it is essential to consider their interdependence and the broader socio-economic context. If projects are implemented without proper contextualization, the advice and results produced may not be relevant or useful to the government. Inadequate understanding of the relevant context can lead to ineffective outcomes and a poor quality of advice for the government.

One way to manage these opportunities is through the appointment of a “gatekeeper,” who would oversee and initially assess incoming opportunities for Indonesia’s energy transition, making high-level decisions regarding whether such opportunities should be channeled to the relevant ministry or rejected altogether. Some assessments that the gatekeeper would need to conduct include

determining whether a project aligns with Indonesia’s energy transition goals, assessing the project value, and determining which ministry should be involved.

The Indonesian government can designate PT Sarana Multi Infrastruktur (PT SMI) to fulfill this role as a “gatekeeper.” PT SMI is well-positioned to take on this position after it was appointed the ETM Country Platform Manager by the Indonesian government.⁵ In this role, PT SMI is tasked with developing a financing and investment framework for the ETM program. In addition, PT SMI is expected to coordinate with the JETP Secretariat for financing (Figure 1.3).

Figure 1.3 JETP structure. The JETP Secretariat will coordinate with PT SMI regarding financing



Given PT SMI's existing collaborations with a range of institutional partners, including grant, financing, knowledge and technical, and investment partners,

⁵ PT SMI (2022). [Indonesia Launches ETM Country Platform to Accelerate Just and Affordable Energy Transition](#). 14 November.

they are well-positioned to serve in this capacity and effectively channel future financial and technical support to Indonesia's energy transition.

The key tasks of PT SMI as gatekeepers would include:

- Stay up to date with Indonesia's climate goals, energy transition roadmaps, ongoing relevant projects, milestones reached, policies, and ministerial responsibilities.
- Design and implement a methodology for assessing developmental opportunities presented, considering, inter alia, their activities, objectives, and timelines to select those that are most aligned with Indonesia's transition goals, as well as avoid potential overlap and inconsistencies.
- Channel promising developmental projects to the relevant ministries that can collaborate with the development partners leading them.
- Provide support to those executing the projects to ensure that the projects are carried out with Indonesia's specific context in mind.
- Remain in regular correspondence with development agencies to be apprised of future energy transition projects in Indonesia.
- Remain in regular correspondence with development agencies to inform them of Indonesia's goals in various aspects of the energy transition, including improving energy transmission, promoting renewable energy generation, just transition, and policy reform.
- Raise urgent issues to ministries along critical stages of the energy transition to bring their attention towards potential interventions needed for them to undertake to stay on track.

PT SMI can adopt new mechanisms to optimize their coordination and ensure the successful implementation of Indonesia's energy transition goals. By organizing a dedicated forum for development partners to share ongoing and future projects and creating a comprehensive database to track and analyze projects, PT SMI can efficiently identify gaps and overlaps in support and direct future assistance accordingly. These measures will further streamline PT SMI's activities and enhance their ability to oversee and coordinate Indonesia's energy transition initiatives.

It is evident that a coordinated and integrated approach is necessary for success. This requires the involvement of multiple stakeholders, including development agencies, relevant ministries, and a dedicated oversight entity. PT Sarana Multi Infrastruktur (PT SMI) can serve as an effective gatekeeper for the energy transition by coordinating and streamlining development activities and overseeing the implementation of projects. By staying up to date on Indonesia's energy transition goals, designing an assessment methodology, and providing support to project implementers.

Another way to help manage financing and technical assistance opportunities is through an online platform. This platform would facilitate the channeling of potential financing and technical support to much needed activities in Indonesia's energy transition, as defined by the Indonesian government. This platform would be managed by the Indonesian government and would allow different ministries to announce their needs for support in different coal retirement-related efforts, including retirement and repurposing, inviting donors and development partners to submit proposals to provide the financing and/or technical support required.

Interested donors and development partners would then be able to use the platform to submit proposals, which the Indonesian government would be able to review to determine the development partner with whom to collaborate.

There is potential for the designated gatekeeper to manage the operation of the online platform and to filter through the submitted proposals before they are forwarded to the ministry seeking support. This could facilitate the process by decreasing the work needed to carry out by the interested ministry in reviewing many proposals. However, to carry out this role, the gatekeeping entity should have adequate understanding of the type of support the interested ministry requires.

2. Mapping of past and existing donor/development partner interventions and strategies

The successful implementation of Indonesia's energy transition requires a combination of domestic resources and external support from donors and development partners. **By examining the types of support that have been provided by prominent institutions in relevant sectors, Indonesia can identify potential interventions in the future for its energy transition.**

Three different types of donor/development partners that can support Indonesia's energy transition have been identified:

1. Multilateral development banks
2. Government agencies
3. Philanthropies

A mapping of past and ongoing financial support and technical assistance from several of Indonesia's largest donors and development partners was conducted as part of this study. This mapping aims to provide the Indonesian government with a base understanding of which development partners and donors could be the most promising partner in the future for a specific intervention, given their engagement in the past in the same intervention. The mapping also provides detailed information on the project, including type of assistance (loan, grant, technical assistance, etc.), amount disbursed, project description, and activities carried out. It also provides a statement on how these projects are relevant and could be the basis for future interventions in Indonesia. All project included in the mapping are relevant for Indonesia's energy transition and highlight the entities with major presence and better inroads in the energy sector. It allows to identify which organizations have been more invested and successful in the country until today.

2.2 Multilateral Development Banks

i. Asian Development Bank (ADB)

- **Overview**

Indonesia is one of the founding members of the Asian Development Bank in 1966 and is currently ADB's sixth largest shareholder and one of its largest sovereign borrowers.⁶

ADB SUPPORT IN INDONESIA IN FIGURES⁷	
820	Total number of public sector loans, grants, and technical assistance ADB has committed to
\$42 billion	Total worth of committed support by ADB
\$34.87 billion	Total worth of cumulative loan and grant disbursements
\$6.78 billion	Total worth of ongoing sovereign portfolio among 20 loans
\$2.12 billion	Total amount approved in sovereign loans and grants in 2021
\$600 million	Amount of results-based loan approved by ADB in December 2021 to help PLN “rehabilitate, strengthen, and expand power grid in five provinces.,” as well as “promote clean energy use, [...] improve the company’s waste and asset management, procurement, and community education.”

⁶ ADB. [Indonesia and ADB](#).

⁷ ADB (2022). [Asian Development Bank Member Fact Sheet: Indonesia](#).

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ADB's latest Country Partnership Strategy (CPS) for Indonesia 2020–2024 recognizes the importance of climate action and establishes “strengthening resilience” as one of its three strategic pathways in its support of inclusive, competitive, and sustainable development following the COVID-19 crisis. In this pathway, ADB aims to support “climate change mitigation and adaptation measures, environmental sustainability and green recovery, disaster risk management and finance, and water and food security.” Other crosscutting priorities to be considered in its operations in Indonesia include gender equality and socially inclusive approaches; enhanced governance and institutional capacity; and the achievement of the Sustainable Development Goals. The CPS is fully aligned with Indonesia's National Medium-Term Development Plan (RPJMN), 2020–2024; ADB's Strategy 2030; and the SDGs.⁸

The ADB has the Energy Transition Mechanism (ETM) to accelerate decommissioning of coal facilities, this being one of the possible mechanisms to fund the retirement program.

⁸ ADB (2020). [*Country Partnership Strategy: Indonesia, 2020–2024 —Emerging Stronger.*](#)

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- **Selected projects**

For a full list of ADB’s projects, visit <https://www.adb.org/projects>.

PROJECT NAME	Sustainable and Reliable Energy Access Program - Western and Central Java		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Electricity transmission and distribution
START DATE	31 May 2022	CLOSE DATE	31 Dec 2025
TYPE OF ASSISTANCE	Loan, Technical Assistance	PROJECT STATUS	Active
AMOUNT	USD 600.5 million	AMOUNT DISBURSED	USD 150 million (29 Nov 2022) USD 0.5 million (29 Nov 2022)
PROJECT DESCRIPTION	<p>\$600 million results-based loan to help PLN provide affordable, sustainable, and reliable electricity to about 112 million people living in the western and central parts of Java Island while also promoting the use of clean energy.</p> <p>The Sustainable and Reliable Energy Access Program will rehabilitate, strengthen, and expand PLN's power grid and promote clean energy use. It will improve PLN's waste and asset management, procurement, and community education. The program will benefit five provinces: Banten, Central Java, Jakarta Special Capital Region, West Java, and Yogyakarta Special Region.</p>		
ACTIVITIES	Not enough information provided.		

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RELEVANCE	ADB can provide future support towards the improvement of Indonesia's electricity grid and ensure energy security through increased access to affordable, sustainable, clean, and reliable energy.
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PROJECT NAME	Geothermal Power Generation Project		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Renewable energy generation – geothermal
START DATE	21 Sep 2020	CLOSE DATE	31 Dec 2025
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 335 million	AMOUNT DISBURSED	USD 83.15 million (24 Jan 2023) USD 1.77 million (24 Jan 2023)
PROJECT DESCRIPTION	The project will support expansion of Indonesia's geothermal generating capacity to contribute to the sustainability, resiliency, and sufficiency of the electricity system. The project will support GDE, a state-owned geothermal company focused on development and operation of geothermal resources, to commission an additional 110 MW of geothermal electricity generating capacity, 55 MW at the Dieng geothermal field in Central Java and 55 MW at the Patuha geothermal field in West Java.		
ACTIVITIES	Not enough information provided.		
RELEVANCE	ADB can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.		

PROJECT NAME	Sustainable Energy Access in Eastern Indonesia-Electricity Grid Development Program		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Electricity transmission and distribution
START DATE	14 Dec 2017	CLOSE DATE	30 Jun 2022
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 600.00 million	AMOUNT DISBURSED	USD 583.74 million (9 Feb 2023)
PROJECT DESCRIPTION	This result-based loan (RBL) program aims to support the development of electricity distribution networks to connect businesses and households and to		

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	enhance the quality of life in Eastern Indonesia by the sustainable use of electricity as a key driver of increased economic activity. The program will complement a proposed sector loan for small- to mid-sized natural gas-fired power stations to deliver more sustainable energy services to communities across Eastern Indonesia. Natural gas is a much cleaner fuel compared to diesel and the quick-responding nature of gas-fired engines and turbines make them a good match for intermittent renewable energy sources such as solar and wind. It is an appropriate transition fuel to move towards a low-carbon energy system.
ACTIVITIES	<p>Activities centered around the following areas.</p> <ul style="list-style-type: none"> • increasing the number of distribution transformer units installed • increasing the length of medium-voltage distribution lines installed • new pilot-scale smart grid projects • enhancement of operational efficiency and resource optimization • asset and waste management
RELEVANCE	ADB can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.

PROJECT NAME	Regional: Integrating Gender and Social Inclusion Dimensions in Climate Change Interventions in Southeast Asia		
COUNTRY/REGION	Regional, Cambodia, Indonesia, Lao People's Democratic Republic, Philippines, Thailand, Timor-Leste, Viet Nam	SECTOR/SUBSECTOR	Energy / Energy sector development and institutional reform Industry and trade / Small and medium enterprise development
START DATE	23 Dec 2022	CLOSE DATE	30 Jun 2025
TYPE OF ASSISTANCE	Technical Assistance	PROJECT STATUS	Active
AMOUNT	USD 1.35 million	AMOUNT DISBURSED	USD 1.35 million (20 Feb 2023)
PROJECT DESCRIPTION	The knowledge and support technical assistance (TA) will help countries integrate a gender and social inclusion dimension in national climate and green transformation policies, programs, and plans, including Nationally Determined Contributions (NDCs) under the Paris Agreement, and to develop options for a gender and socially inclusive green recovery following the coronavirus disease (COVID-19) pandemic. Gender and socially inclusive green recovery envisage transformation towards a climate-resilient and nature-driven future with		

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	emphasis on gender and social inclusion to maximize outcomes for both people and the environment.
ACTIVITIES	The TA will build capacity of the relevant government agencies through policy dialogue, case studies, and knowledge products; and by strengthening coordination and knowledge sharing in the Southeast Asia region and beyond.
RELEVANCE	ADB can provide future technical assistance and continue the consideration and integration of gender and social inclusion dimensions in energy transition interventions, such as the retirement of coal-fired power plants.

PROJECT NAME	Advanced Knowledge and Skills for Sustainable Growth Project		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Education / Tertiary
START DATE	08 Apr 2019	CLOSE DATE	30 Jun 2024
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 200.00 million	AMOUNT DISBURSED	USD 43.84 million (16 Dec 2022)
PROJECT DESCRIPTION	The project supports advanced skills and knowledge for sustainable economic growth in Indonesia by upgrading three public universities in Sumatra and one public university in Bandung, West Java, as part of higher-education reform. It will support the construction and/or upgrading of new facilities that incorporate green-building and climate-proofing design features, as well as strengthening staff capacity at the universities and supporting demand-driven quality education and research aligned with local economic priorities. It will integrate new technologies in teaching programs, strengthen technical and vocational teacher education, and help the government develop a medium-term higher-education investment plan.		
ACTIVITIES	<p>Output 1: Market-responsive programs delivered. The project has supported civil works construction, provision of equipment and consulting services, capacity development of staff, and program development in support of UNIMAL, UNJA, and UNRI.</p> <p>Output 2: Training of TVET teachers improved. The project has supported civil works construction, provision of equipment and consulting services, capacity development of staff, and TVET program development in support of UPI.</p>		
RELEVANCE	ADB can provide future technical assistance and continue its support towards the improvement of tertiary education in Indonesia to equip the future workforce with the skills relevant to the country's overall green energy transition.		

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PROJECT NAME	Promoting Carbon Capture and Storage in the People's Republic of China and Indonesia		
COUNTRY/REGION	China, Indonesia	SECTOR/SUBSECTOR	Energy / Electricity transmission and distribution
START DATE	29 Aug 2014	CLOSE DATE	31 Aug 2019
TYPE OF ASSISTANCE	Technical Assistance	PROJECT STATUS	Closed
AMOUNT	<p>USD 1.8 million (Original)</p> <p>Research and development TA</p> <p>USD 1.5 million (Supplementary)</p> <p>Knowledge and support TA</p>	AMOUNT DISBURSED	USD 2,742,934
PROJECT DESCRIPTION	<p>The technical assistance (TA) aimed to create an institutional framework that enabled more coordinated R&D and deployment of CCS, as well as dissemination of best practices on CCS through the initiation of a regional CCS support program. The R&D program was envisaged to be administered by two research centers in the PRC and one in Indonesia, together forming a new regionwide knowledge hub and community of practice.</p>		
ACTIVITIES	<ul style="list-style-type: none"> • Research and development activity on CCS in the PRC and Indonesia improved and CCS Centers of Excellence established • Conferences, workshops, dialogues, study visits, fellowships and other forms of regional cooperation increased • New partnerships with other institutes and centers in and outside the region established • Leadership in CCS-related capacity development strengthened 		
RELEVANCE	<p>ADB can provide future support for CCS/CCUS through its utilization and implementation in existing coal-fired power plants.</p>		

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• Selected future projects

PROJECT NAME	Sustainable and Inclusive Energy Program (Subprogram 3)		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Energy sector development and institutional reform
START DATE	24 Nov 2022 (approval date)	CLOSE DATE	30 Jun 2023
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Approved
AMOUNT	USD 515.00 million	AMOUNT DISBURSED	None yet.
PROJECT DESCRIPTION	This project supports the transformation of Indonesia's energy sector through reforms initiated in 2014, which aim to (i) improve fiscal sustainability and governance, (ii) expand private investment, and (iii) promote the deployment of clean and efficient energy options. Subprogram 3 supports the government's ambitious energy sector reforms under the National Medium-Term Development Plan (RPJMN) 2020-2024 and its greenhouse gas (GHG) emission reductions of 29% under its nationally determined contribution.		
ACTIVITIES	Not enough information provided.		
RELEVANCE	ADB can provide future support towards the improvement of Indonesia's energy transition by helping create an enabling environment through the development of appropriate policies and the promotion of private sector participation.		

PROJECT NAME	Accelerating Indonesia's Clean Energy Transition Program – Phase 1		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR OR	Energy / Energy sector development and institutional reform
START DATE	N/A	CLOSE DATE	N/A
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Proposed
AMOUNT	USD 300.00 million	AMOUNT DISBURSED	N/A
PROJECT DESCRIPTION	Outputs defined: <ul style="list-style-type: none"> • Transition to renewable clean electricity supply facilitated • Smart transmission grid infrastructure expanded • Institutional capacity to manage a just energy transition enhanced 		
ACTIVITIES	Not enough information provided.		

RELEVANCE	ADB can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.
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ii. World Bank Group (WBG)

- **Overview**

WBG SUPPORT IN INDONESIA IN FIGURES⁹	
IBRD/IDA	
402	Total number of projects
\$69.6 billion	Total worth of committed support by IBRD
IFC	
106	Total number of investment projects
\$4.6 billion	Total worth of projects approved by board
24	Total number of advisory projects
\$39.5 million	Total worth of projects approved by board
MIGA	
4	Total number of projects
\$1.4 billion	Total guarantees issued

⁹ World Bank Group (2022). [World Bank Group Finances: Indonesia](#).

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The World Bank Group is an international development organization owned by 187 countries that provide finance, advice, and research to developing nations to aid economic advancement, financing public projects to build infrastructure and develop institutional capacity. Its five institutions—the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID)—share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. Indonesia—with almost 60 years’ worth of partnership with the World Bank—is now one of the Bank’s most significant partners in terms of lending, knowledge services, and implementation support.

In May 2021, the World Bank put in place a new [Country Partnership Framework \(CPF\) for 2021-2025](#) for Indonesia. Aligned with the country’s priorities as stated in its Medium-Term National Development Plan 2020-2024, the CPF outlines the World Bank’s support of the Indonesian government in “(promoting) inclusive and sustainable economic recovery from the COVID-19 pandemic and (achieving) long-term economic growth.” One of the four engagement areas the World Bank’s work in Indonesia encompasses is improving infrastructure, in which the World Bank aims to strengthen “infrastructure provision and quality of service, and transition to low-carbon energy while attaining universal access to reliable and sustainable energy.” The CPF also considers three cross-cutting themes: (1) digitalization, (2) gender, and (3) climate change.¹⁰

¹⁰ World Bank Group (2021). [Country Partnership Framework for the Republic of Indonesia for the Period FY21-FY25](#).

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• Selected projects

For a full list of WBG's projects, visit <https://projects.worldbank.org/en/projects-operations/projects-home>.

PROJECT NAME	Power Distribution Development Program-for-Results ^{11,12}		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy and Extractives / Energy Transmission and Distribution
START DATE	18 Nov 2016	CLOSE DATE	30 Apr 2020
TYPE OF ASSISTANCE	Grant, Loan	PROJECT STATUS	Completed
AMOUNT	USD 920.00 million	AMOUNT DISBURSED	USD 899,979,828
PROJECT DESCRIPTION	The project's development objective is to increase access to electricity services and to improve the efficiency and reliability of their delivery in selected areas of Indonesia. This guidance is related primarily to the projected energy demand and desired targets for electrification and the energy mix of production.		
ACTIVITIES	Activities centered around the delivering the following results: <ul style="list-style-type: none"> • Improved access to electricity • Improved quality of service • Improved distribution efficiency 		

¹¹ World Bank. [Power Distribution Development Program-for-Results](#).

¹² IBRD (2020). [Implementation Completion and Results Report IBRD-8610 on a Loan in the Amount of US\\$500 Million to the PT. Perusahaan Listrik Negara \(PLN\) for the Power Distribution Development Program-for-Results](#).

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	<ul style="list-style-type: none"> • Increased power consumption • Improved institutional capacity
RELEVANCE	The World Bank can provide future support towards the improvement of Indonesia's electricity grid and ensure energy security through increased access to affordable, sustainable, clean, and reliable energy.

PROJECT NAME	Development of Pumped Storage Hydropower in Java Bali System Project¹³		
WBG INSTITUTION	IBRD		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy transmission and distribution / Energy and distribution
START DATE	10 Sep 2021	CLOSE DATE	15 Sep 2027
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 610.00 million	AMOUNT DISBURSED	USD 950,000.00 (Mar 2022) USD 434,657.53 (Aug 2022) USD 478,904.10 (Feb 2023)
PROJECT DESCRIPTION	The development objective of the Development of Pumped Storage Hydropower in the Java-Bali Project for Indonesia is to support Indonesia's energy transition and decarbonization goal by: (i) developing the first large-scale pumped storage hydropower to improve power generation peaking and storage capacity of the Java-Bali grid; and (ii) strengthening PT Perusahaan Listrik Negara (Persero) (PLN's) capacity for hydropower development and management.		
ACTIVITIES	<p>The project comprises of three components.</p> <ol style="list-style-type: none"> 1. Development of the upper Cisokan pumped storage (UCPS) plant 2. Environmental and social impact management for the UCPS plant 3. Provision of technical assistance and capacity building activities 		
RELEVANCE	The World Bank can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.		

¹³ International Bank for Reconstruction and Development. 2021. [Project Appraisal Document on a Proposed Loan in the Amount of US\\$280 Million to the Republic of Indonesia for a Development of Pumped Storage Hydropower in Java-Bali System Project](#).

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PROJECT NAME	Indonesia Geothermal Resource Risk Mitigation Project (GREM)		
WBG INSTITUTION	IBRD		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Renewable energy
START DATE	26 Sep 2019	CLOSE DATE	31 Oct 2029
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 325.00 million	AMOUNT DISBURSED	USD 375,000.00 (Mar 2021) USD 331,664.04 (Sep 2021) USD 185,958.91 (Mar 2022) USD 189,041.10 (Sep 2022)
PROJECT DESCRIPTION	The objectives of the Geothermal Resource Risk Mitigation Project of Indonesia are to scale up investment in geothermal energy development and support the country in its efforts to reduce greenhouse gas emissions in the country.		
ACTIVITIES	<p>The project has two components.</p> <ol style="list-style-type: none"> 2. Component 1 is to mitigate risks in geothermal resource drilling supported through the establishment of a new financing facility 3. Component 2 for technical assistance and capacity strengthening 		
RELEVANCE	The World Bank can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.		

PROJECT NAME	Riau IPP		
WBG INSTITUTION	IFC		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Gas - Thermal Power Generation
START DATE	15 Feb 2019	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Risk management, Loan	PROJECT STATUS	Active
AMOUNT	USD 51.5 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The proposed project is the development, construction, and operation of a 275 megawatt (MW) combined cycle gas turbine power plant and about 40-kilometer gas pipeline in Riau Province, Sumatera, Indonesia.		

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ACTIVITIES	Not enough information provided.
RELEVANCE	The World Bank can provide future support towards the improvement of Indonesia’s electricity grid and ensure energy security through increased access to cleaner energy. Future support for IPPs can also be provided to decrease privatization in Indonesia’s energy production market.

PROJECT NAME	Salamander		
WBG INSTITUTION	IFC		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Oil, gas, and mining / Oil and gas Production (including development)
START DATE	6 Jun 2008	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Completed
AMOUNT	USD 50.0 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	IFC was requested by the management of Salamander—a young rapidly-growing independent oil and gas company—to provide up to \$75 million of financing to help fund the company’s planned 2008-2010 investment program. The project is primarily expected to cover the capital and operating expenditure needs of the following producing and near-production assets:		
ACTIVITIES	<p>Planned activities:</p> <ul style="list-style-type: none"> ● the drilling of new wells; ● the selective work over of existing wells; ● the deployment of a floating production storage and offloading (FPSO) vessel; ● the installation of two offshore production platforms; ● the laying of connection pipelines; and ● the construction of gas processing facilities and other field infrastructure. <p>The project was to also include capital expenditure on exploration and appraisal in the company’s other interests in Southeast Asia, the potential acquisition of additional oil and gas properties, the refinancing of existing indebtedness and other general corporate uses.</p>		
RELEVANCE	The World Bank can provide future support towards the development of cleaner sources of energy to ensure energy security throughout the country.		

PROJECT NAME	Rajamandala Hydropower Project
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WBG INSTITUTION	MIGA		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	6 Jun 2014	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Guarantee	PROJECT STATUS	Active
AMOUNT	USD 200 million	AMOUNT DISBURSED	N/A
PROJECT DESCRIPTION	MIGA issued guarantees of up to \$200 million covering non-shareholder loans by Mizuho Bank Ltd. and Japan Bank for International Cooperation of Japan to the Rajamandala Hydropower Project in Indonesia. The coverage is for a period of up to 19 years against the risks of transfer restriction, expropriation, war and civil disturbance, and breach of contract.		
ACTIVITIES	The project consists of the development and operation of a 47-megawatt run-of-the-river hydropower plant near Bandung on Java Island on a build-operate-transfer basis. The plant is expected to generate approximately 181 kilowatt hours per year that will be sold under a 30-year power purchase agreement with PLN, a state-owned enterprise.		
RELEVANCE	The World Bank can provide guarantees to future energy transition-related projects to attract investments from donors and ramp up financing for Indonesia's energy transition.		

PROJECT NAME	PLN COVID-19 Response Package		
WBG INSTITUTION	MIGA		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	6 Jun 2014	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Guarantee	PROJECT STATUS	Active
AMOUNT	USD 516,952,068.90	AMOUNT DISBURSED	N/A
PROJECT DESCRIPTION	A MIGA-covered loan facility will provide liquidity to fund PLN's working capital for tariff payments under the power purchase agreements to procure electricity from seven renewable energy subprojects. Support from MIGA will help to sustain these projects during the crisis and protect them during the consequent financial stress.		
ACTIVITIES	Not enough information provided.		
RELEVANCE	The World Bank can provide guarantees to future energy transition-related projects to attract investments from donors and ramp up financing for Indonesia's energy transition.		

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- Selected future projects

PROJECT NAME	Indonesia - Transitioning to Sustainable, Clean and Efficient Energy - Program for Results		
WBG INSTITUTION	IBRD		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy
START DATE	No information provided.	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Pipeline
AMOUNT	USD 800 million	AMOUNT DISBURSED	N/A
PROJECT DESCRIPTION	The development objective is to support policy and institutional reforms that would enable Indonesia's low-carbon energy transition, including renewable energy scale-up.		
ACTIVITIES	Not enough information provided.		
RELEVANCE	The World Bank can provide future support towards the improvement of Indonesia's energy transition by helping create an enabling environment through the development of appropriate policies.		

i. Islamic Development Bank (IsDB)

- **Overview**

ISDB SUPPORT IN INDONESIA IN FIGURES¹⁴	
402	Total number of projects
\$6.2 billion	Total funding provided
359	Total number of completed projects
80	Total number of active projects

The Islamic Development Bank (IsDB) is a multilateral development bank that supports member countries and Muslim communities from all over the world through the promotion of social and economic development. Indonesia, the largest Muslim country by population, is one of three IsDB member countries in Southeast Asia, along with Malaysia and Brunei Darussalam and serves as the regional hub for all three countries.

¹⁴ IsDB. [Republic of Indonesia](#).

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Tenders in Indonesia have not focused greatly on climate action, decarbonization, or the energy transition, but the IsDB has supported energy- and climate action-related projects in other member countries. Recently, it has engaged in discussions regarding tackling more climate action-related endeavors in Asia, as well as in Indonesia itself, through various memoranda. In addition, the application of Islamic finance to climate finance has been discussed more and more recently and may thus open avenues to increasing support in Indonesia towards the energy transition.

In July 2022, IsDB launched its Member Country Partnership Strategy for Indonesia and identified two key areas that will be driving its interventions in the country: (1) supporting Green, Resilient and Sustainable infrastructure on one hand and promoting Inclusive Human Capital, on the other. Four cross-cutting areas have also been identified: (1) Islamic Finance, (2) climate change, (3) women and youth, and (4) capacity development.¹⁵

¹⁵ IsDB (2022). [*IsDB President Attends Launching of Member Country Partnership Strategy for Indonesia*](#). 19 July.

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- **Islamic finance**

The following is a brief discussion of some Islamic financing that have the potential to support Indonesia's energy transition.

Sukuk. A sukuk is an Islamic bond that can generate returns to investors while still abiding by Islamic shari'ah law, which prohibits interest. Through a sukuk, proceeds are made from the sale of certificates. These proceeds are then used to purchase an asset that is owned by both the buyer and seller. A green sukuk restricts the use of the proceeds to climate-friendly investments.¹⁶ In 2017, Malaysia launched the world's first green sukuk.¹⁷

Mudarabah. Mudarabah is a business partnership contract, where one party carries out a project for which the other party provides the capital. The investor will recuperate the investment at the end of the contract but will gain no interest, which is prohibited in Islamic finance. Profits gained can be split according to an agreement reached at the beginning of the project. In Islamic finance, mudarabah is widely used for infrastructure investments or projects where significant funding can be secured from large financiers. There are two types of Mudarabah: restricted, where certain limitations are defined on how the business activities are to be carried out; and unrestricted, where there are no limitations.¹⁸ IsDB utilized

¹⁶ World Bank (2017). [Green sukuk](#).

¹⁷ F. Hadad-Zervos (2017). [Malaysia launches the world's first green Islamic bond](#). *World Bank Blogs*. 31 July.

¹⁸ A. Sotta (2021). [An Introduction to Islamic Financial Instruments: Mudarabah](#). *LinkedIn*. 13 June.

a restricted Mudarabah to support renewable energy and energy efficiency projects in Turkey in 2012 (see *Selected projects*)

Awqaf. Awqaf¹⁹ are donated properties “used for the benefit specified by the donor, in which the purpose must be benevolent, normally serving community interests.” A green waqf is a waqf where the donated asset must support ecological balance and sustainability, as well as the socio-economic landscape. Eligible projects related to decarbonization include transmission and production of renewable energy, increasing energy efficiency, and creating sustainable transportation networks.²⁰

¹⁹ Plural form of “waqf.”

²⁰ UNDP and Badan Wakaf Indonesia (2022). [Green Waqf Framework](#).

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- Selected projects

PROJECT NAME	A Clean, Secure Future: Reshaping Turkey's Energy Sector		
COUNTRY/REGION	Turkey	SECTOR/SUBSECTOR	Energy / renewable energy and energy efficiency
START DATE	2012	CLOSE DATE	2015
TYPE OF ASSISTANCE	Loan (restricted Mudarabah)	PROJECT STATUS	Completed
AMOUNT	USD 100 million	AMOUNT DISBURSED	USD 100 million
PROJECT DESCRIPTION	In 2012, IsDB signed the first restricted Mudarabah for USD 100 million with the Industrial Development Bank of Turkey (TSKB) to support renewable energy and energy efficiency projects in Turkey. It was expected that a total of 600 MW would be added to Turkey's capacity through the renewable energy projects. This investment represented the first tranche of the USD 600-700 million that was earmarked for RE and EE development as stated in the Member Country Partnership Strategy (MCPS) for Turkey. ²¹		
ACTIVITIES	The project lasted until 2015, during which the IsDB provided financing for four RE and 6 EE projects. Through a Mudarabah, there was no need for IsDB to enter different financing agreements for each sub-project. It also gave TSKB plenty of freedom in executing the project. ²²		
RELEVANCE	IsDB can provide restricted Mudarabah to Indonesia to help finance the country's energy transition.		

PROJECT NAME	Islamic Infrastructure Fund, L.P.		
COUNTRY/REGION	Regional	SECTOR/SUBSECTOR	Energy / energy infrastructure
START DATE	No information provided.	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Equity investment	PROJECT STATUS	Completed
AMOUNT	USD 150 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The Islamic Infrastructure Fund, L.P. (IIF) was started in 2007 by IsDB and ADB for Shariah-compliant equity investments in power, transport, water supply and waste treatment, telecommunications, and social infrastructure, with a target fund size of \$500 million		

²¹ ISDB (2012). [IDB Signs US\\$ 100 million Restricted Mudaraba Investment Facility with Turkish Private Sector Bank](#). 11 December.

²² ISDB. [A Clean, Secure Future: Reshaping Turkey's Energy Sector](#).

ACTIVITIES	<p>As of 31 March 2020, the IIF had drawn down \$164.8 million, of which \$130.4 million was invested in five companies. Within its original 10 years of life, the IIF was able to exit from only two investments. On 23 September 2019, another investment was exited. The IIF's life was extended to 26 July 2020 to allow for divestments of the two remaining investees.</p> <p>The IIF made some development contributions, such as investment in frontier countries, particularly in hard infrastructure, and more widespread Shariah-compliant financing. However, it could not invest a meaningful share of its total committed capital, and thereby yielded a significant financial loss and achieved limited development impact. The investees complied with the national laws and ADB's environmental and social policies, and submitted the required reporting on time.</p>
RELEVANCE	IsDB can provide Islamic finance for future infrastructure projects in Indonesia, especially when it comes to renewable energy facilities.

● **Selected future projects**

In November 2022, IsDB and PT SMI signed a Memorandum of Understanding (MoU) to foster cooperation towards the potential provision of a line of financing and co-financing for energy transition, renewable energy, and the development of PPP-supported infrastructure initiatives.²³ Collaboration can encompass the following activities:

1. Financing of viable projects under the Energy Transition Mechanism (ETM) Country Platform of the Government of Indonesia
2. Financing to state-owned enterprises, private sector, and regional governments
3. Capacity building, workshops, and training in Islamic finance
4. Development of Shari'ah-compliant financing products
5. Support for PT SMI Shari'ah business development

In February 2023, a Memorandum of Understanding with Joint Action Plan was signed between IsDB and the Economic and Social Commission for Asia and the Pacific (ESCAP) to “enhance the strategic partnership between the two institutions and to provide adequate support to member countries in Asia and the Pacific

²³ IsDB (2022). [IsDB Group Signs MoU with Indonesia's Persero to Support Energy Transition and Islamic Finance Capacity Enhancement](#). 14 November.

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region.” Energy-related themes to be tackled include low-carbon, climate change resilient development and energy transition and cross-border power systems connectivity, including green and smart grids.²⁴

²⁴ ESCAP (2023). [*ESCAP and IsDB sign MoU with Joint Action Plan to enhance strategic partnership and support to member countries in Asia*](#). 7 February.

ii. Asian Infrastructure Investment Bank (AIIB)

- **Overview**

AIIB SUPPORT IN INDONESIA IN FIGURES²⁵	
\$310 million	Total worth of financing to be provided in the approved East Java and Bali Power Distribution Strengthening project that aims to improve access to and quality of power services in East Java and Bali
920,000	Total number of additional customers the East Java and Bali Power Distribution Strengthening project aims to provide reliable electricity to
13 million	Total number of residents that will benefit from a more reliable distribution network and stable power supply through the East Java and Bali Power Distribution Strengthening project

The Asian Infrastructure Investment Bank (AIIB) support clients in building green infrastructure with sustainability, innovation, and connectivity at its core through the Infrastructure for Tomorrow (i4t) program.²⁶ The AIIB seeks to unlock finance, seeking to foster sustainable economic development, create wealth, and improve infrastructure connectivity.

²⁵ AIIB. 2022. [2021 AIIB Annual Report](#).

²⁶ AIIB. [Infrastructure for Tomorrow](#).

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- **Selected projects**

For a full list of AIIB’s projects, visit
<https://www.aiib.org/en/projects/list/index.html>.

PROJECT NAME	PLN East Java & Bali Power Distribution Strengthening Project		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / Electricity transmission and distribution
START DATE	28 Jan 2021	CLOSE DATE	Jun 2026
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Approved
AMOUNT	USD 310 million	AMOUNT DISBURSED	None yet.
PROJECT DESCRIPTION	The project will support the implementation of Indonesia’s rolling 10-year Electricity Business Plan (RUPTL) (2019-2028) in East Java and Bali, currently under the management of PLN’s Java, Madura and Bali Regional Development Directorate (JMB). In line with the region’s objectives and targets outlined in the RUPTL, the Project will support PLN’s ongoing program to increase access and improve quality of power distribution through infrastructure development.		
ACTIVITIES	The planned activities under the Project include: <ul style="list-style-type: none"> • Installation of additional length of medium-voltage (MV) distribution lines. • Installation of additional length of low-voltage (LV) distribution lines. • Installation of additional capacity of distribution transformers. 		
RELEVANCE	AIIB can provide future support towards the improvement of Indonesia’s electricity grid and ensure energy security through increased access to affordable, sustainable, clean, and reliable energy.		

2.3 Government Agencies

iii. Japan International Cooperation Agency (JICA)

- **Overview**

The Japan International Cooperation Agency (JICA) is the Japanese governmental agency that delivers the bulk of the country's Official Development Assistance (ODA). Diplomatic relations between Japan and Indonesia were formally established in 1958, and in the 65 years since, Japan has become Indonesia's largest donor, accounting for 45% of the cumulative total of ODA provided to Indonesia. Indonesia has also been the largest recipient of Japan's ODA, making up 11.3% of the total amount Japan has provided.

JICA SUPPORT IN INDONESIA IN FIGURES²⁷	
\$49.5 billion	Total worth amount of Official Development Assistance (ODA) to Indonesia
45%	Share of total ODA provided by donors from 1960 to 2016 that came from Japan, making it Indonesia's largest donor
11,000 mw	Total capacity of electric power supply facilities constructed, or 20% of national capacity
40,000	Number of participants in JICA training programs towards human resource development
\$1.4 billion	Total amount of loans and grant aid provided for climate change and natural environment conservation

²⁷ JICA. [*Indonesia's Development and Japan's Cooperation: Building the Future Based on Trust.*](#)

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JICA's Country Assistance Policy for the Republic of Indonesia affirms Japan's support of development and economic growth in Indonesia and identifies priority areas for assistance.²⁸ A new set of priority areas were identified in JICA's most recent rolling plan in Indonesia: (1) assistance for enhancing international competitiveness; (2) assistance for realizing a safe and fair society through balanced development; and (3) assistance for building capacity to address issues of the Asian region and international society. One of assistance programs JICA has designed under the first priority area is providing a stable power supply to the country. This program "supports the enhancement of stable power supply capacity and expansion of electric transmission and distribution capacity," emphasizing "highly efficient power generation, power generation with environmentally friendly renewable energy such as geothermal and hydroelectric power, and the enhancement of advanced electric transmission and distribution system." It also seeks to support the private sector and to attract private investment.²⁹

²⁸ Government of Japan (2012). [Country Assistance Policy for the Republic of Indonesia](#).

²⁹ JICA (2020). [Rolling Plan for the Republic of Indonesia](#).

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• Selected projects

For a more comprehensive list of JICA's ongoing projects in Indonesia, please see JICA's [Rolling Plan for the Republic of Indonesia](#). For a map of JICA's major projects, please visit [this website](#).

PROJECT NAME	Asahan No.3 Hydroelectric Power Plant Construction Project		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	29 Mar 2006	CLOSE DATE	Jan 2014
TYPE OF ASSISTANCE	Loan agreement	PROJECT STATUS	Completed
AMOUNT	JPY 27,642 million (USD 205 thousand)	AMOUNT DISBURSED	JPY 27,642 million ((USD 205 thousand)
PROJECT DESCRIPTION	The objective of this project is to relieve the tightness in power supply and demand in the North Sumatra System and to improve the stability of the supply by constructing a hydroelectric power plant (154 MW; run-of-river) and related transmission lines, etc., and to contribute to the economic development of northern Sumatra through improvement of the investment climate. Moreover, the project will contribute to the lowering of the burden placed on the global environment by using renewable energy.		
ACTIVITIES	<p>The following were to be carried out to improve the power supply capacity of the North Sumatra System.</p> <ul style="list-style-type: none"> • Construction of a hydroelectric power plant (run-of-river hydroelectric generation facilities consisting of 2 units, 77 MW each) and construction of related transmission lines of 150 kV. • Installation of remote monitoring and communications facilities, etc. • Installation of simple irrigation and water facilities • consultant services (tendering assistance, supervision of work, performance evaluation) 		

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	<ul style="list-style-type: none"> assistance in operation and maintenance, assistance with environmental management, technology transfer and human resource development, etc.)
RELEVANCE	JICA can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.

PROJECT NAME	Geothermal Development Acceleration Program (Hululais Geothermal Power Plant Project)		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	Dec 2015	CLOSE DATE	Dec 2021
TYPE OF ASSISTANCE	Loan / Engineering services	PROJECT STATUS	Completed
AMOUNT	JPY 657 million (USD 4.87 million)	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The objective of the project is to improve the power supply capacity in the Sumatra system by constructing the Hululais Geothermal Power Plant, thereby contributing to the betterment of the living standards as well as economic growth of the region by improving the investment climate and to the mitigation measures against climate change through the development of a renewable energy source and reduction of greenhouse gas emissions and air pollution.		
ACTIVITIES	<ol style="list-style-type: none"> Drilling of steam wells and construction of Facilities for Collecting and Reducing Steam (FCRS) Construction of two geothermal power plants (with a capacity of 55MW each) Construction of power transmission, substation, and distribution facilities Consulting services (detailed design, tender assistance, construction supervision, etc.) <p>This engineering service (E/S) loan will be provided for consulting services for 3) to assist PLN in implementing the Project.</p>		
RELEVANCE	JICA can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.		

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PROJECT NAME	Java-Sumatra Interconnection Transmission Line Project (II)		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / transmission
START DATE	Dec 2015	CLOSE DATE	Nov 2017
TYPE OF ASSISTANCE	Official development assistance (ODA) loan	PROJECT STATUS	Completed
AMOUNT	JPY 629.14 million (USD 4.67 million)	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The Java-Sumatra Interconnection Transmission Line Project (II) will construct power transmission lines between power-impooverished Java and Sumatra with its abundance of coal deposits, enabling a power interchange from coal-fired power stations (total output of 3,000 MW) planned for development by independent power producers.		
ACTIVITIES	The loan will specifically help with the construction of a total of 558 kilometers in transmission lines, including the first domestic DC submarine transmission line in Indonesia, and a DC/AC converter station. JICA has provided ODA loans for the project twice, in Japanese fiscal year 2008 for engineering services and in 2010 for the Construction of Java-Sumatra Interconnection Transmission Line Project (I).		
RELEVANCE	JICA can provide future support towards the improvement of Indonesia's electricity grid and ensure energy security through increased access to affordable, sustainable, clean, and reliable energy.		

PROJECT NAME	Project for Technology Development of Steam-Spot Detection and Sustainable Resource Use for Large Enhancement of Geothermal Power Generation in Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	2014	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Technical assistance	PROJECT STATUS	No information provided.
AMOUNT	JPY 3.0 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	<p>Indonesia is a volcanic country with one of the world's greatest potentials for geothermal power generation. From criteria of power output and temporal stability, geothermal is the most promising renewable energy, and Indonesia plans to greatly increase its geothermal power output. This increase necessarily involves many deep drilling operations to identify spots suitable for geothermal power generation, which requires a tremendous expense. This project aims to reduce the initial costs and raise the identification success rate by integrating several methods that do not require drilling, such as satellite remote sensing and geomorphological analysis. The outcome is expected to promote the use of geothermal resources.</p> <p>Utilization of geothermal resources is expected to increase dramatically if the initial costs of geothermal power generation are reduced. The technology</p>		

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	developed by this project will be applicable to countries located in volcanic zones and will potentially lead such countries to shift their main electric power source from fossil fuels to geothermal energy. As a result, the project will contribute to low-carbon and sustainable society development.
ACTIVITIES	Not enough information provided.
RELEVANCE	JICA can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.

PROJECT NAME	The Project to Develop Medium- and Long-Term Geothermal Development Policy in Indonesia Phase 2		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy policy
START DATE	Oct 2020	CLOSE DATE	Sep 2023
TYPE OF ASSISTANCE	Technical assistance	PROJECT STATUS	Active
AMOUNT	No information provided.	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	Indonesia has the potential to develop geothermal power generation. In 2011, the government established the "Geothermal Power Exploration Fund" to contribute funds for exploratory drilling, with the aim of alleviating business risks such as failure of exploratory drilling in geothermal development. In addition, in the comprehensive power supply plan (2019-2028), the government plans to triple the installed capacity of geothermal power generation in 2028 from approximately 2,000 MW in 2019 to approximately 6,000 MW, promoting geothermal development. This project will support the development of policies and systems to promote geothermal development, strengthen the capacity of related organizations, and revise the master plan.		
ACTIVITIES	Not enough information provided.		
RELEVANCE	JICA can provide future support towards the improvement of Indonesia's energy transition by helping create an enabling environment through the development of appropriate policies.		

● Selected future projects

A Memorandum of Cooperation was signed between Japan and Indonesia in January 2022 to establish a cooperative institutional framework to advance Indonesia's energy transition that utilizes various energy resources and technologies, including but not limited to hydrogen, fuel ammonia, carbon recycling, and CCS/CCUS. Both countries will collaborate on the following areas:

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(1) the formulation of an energy transition roadmap towards net-zero emission based on their respective national targets; (2) the development and deployment of technologies that contribute to realistic energy transitions such as but not limited to hydrogen, fuel ammonia, Carbon Recycling and CCS/CCUS; (3) support efforts within multilateral fora to accelerate cooperation for technologies that contribute to realistic energy transitions such as but not limited to hydrogen, fuel ammonia, Carbon Recycling and CCS/CCUS; and (4) support for policy development, human resource development and knowledge sharing on energy transitions and their contributing technologies.³⁰

³⁰ Government of Japan. Government of Indonesia (2022). [*Project for Technology and Human Resources Development for Carbon Capture and Storage \(CCS\) / Carbon, Capture, Utilization and Storage \(CCUS\)*](#).

iv. Swiss State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC)

• **Overview**

SECO/SDC SUPPORT IN INDONESIA IN FIGURES³¹	
\$70.5 million	Total amount SECO has committed to support Indonesia from 2021 – 2024 (CHF 65 million)
160,000	Number of cocoa farmers whose training in agricultural practices was facilitated by SECO
375,130 MWh	Amount of energy saved per year with the compliance of 112 green buildings in Jakarta with green building codes supported by SECO ³²
\$30 million	Energy cost savings from the construction of green buildings in Indonesia

SECO and SDC are the Swiss agencies implementing Switzerland’s international cooperation. Swiss international cooperation aims to alleviate need and poverty around the world, foster respect for human rights, promote democracy, and conserve the environment. Their activities support access to renewable energy, promotion of energy efficiency, and contribution to clean air, among others.

SECO’s Cooperation Program 2021–2024 identifies two thematic priorities: (1) fostering effective public institutions, particularly in urban areas, through efficient use of resources; and (2) strengthening private sector competitiveness, in particular SMEs. It also identifies “climate and resource efficiency” as a transversal

³¹ SECO (2021). *Indonesia Cooperation Programme 2021 – 2024*.

³² SECO. [Green Building EDGE standard Program](#).

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theme, considering climate change considerations through budgeting principles, urban infrastructure services and in renewable energy skills development.³³

³³ SECO (2021). [Cooperation Program 2021–2024](#).

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- **Selected projects**

PROJECT NAME	Renewable Energy Skills Development RESD in Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Education / tertiary education
START DATE	1 Apr 2020	CLOSE DATE	31 Mar 2025
TYPE OF ASSISTANCE	Technical assistance, loan	PROJECT STATUS	Active
AMOUNT	CHF 6.5 million (USD 7.05 million)	AMOUNT DISBURSED	CHF 0 (as of 21 January 2021) ³⁴
PROJECT DESCRIPTION	The overall goal of the Renewable Energy Skills Development Program is to enable competent design, planning, installation, operation and maintenance of Renewable Energy power plants through the availability of qualified staff relevant to labor market needs. The project will do so by setting up multidisciplinary training programs at the tertiary level that equips civil, mechanical and electrical engineers with the necessary renewable energy know-how. In the long run it will thereby contribute to more and better jobs in the sector and support the Government of Indonesia in successfully exploring its significant potentials in Renewable Energy generation and greenhouse gas emission reduction.		
ACTIVITIES	Medium term outcomes By 2025, formal Renewable Energy specialization programs at tertiary level for solar PV and hydropower technology are in place in the participating polytechnics and produced about 900 specialized graduates that fit labor market requirements.		

³⁴ Swiss Agency for Development and Cooperation. 2021. [Renewable Energy Skills Development RESD in Indonesia](#).

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	<p>At least five training providers offer non-formal modular trainings at level 3-4 of the national Indonesian Qualification Framework (IQF is a neutral reference framework that can equalize learning outcomes resulted from formal and non-formal education), and have provided relevant skills and knowledge in Renewable Energy (Solar PV and hydropower) to at least 300 trainees already active in the labor market.</p> <p>Supporting structures for cooperation between training providers and the private sector in Renewable Energy are in place, helping to market training programs, matching job seekers with potential employees and providing information about job openings.</p>
RELEVANCE	SECO can provide further skills development in Indonesia to ensure that workers can meaningfully participate in the growing renewable energy industry.

PROJECT NAME	Resource Efficient and Cleaner Production (RECP) Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / energy efficiency
START DATE	Dec 2012	CLOSE DATE	30 Jun 2020
TYPE OF ASSISTANCE	Grant, technical assistance	PROJECT STATUS	Closed
AMOUNT	RECP Indonesia: USD 3,893,636.23 RECP Global: EUR 118,433.00 (USD 126,391.70)	AMOUNT DISBURSED	USD 3,081,380 (30 Sep 2019)
PROJECT DESCRIPTION	<p>The long-term objective of the Indonesia National Resource Efficient and Cleaner Production (RECP) Program was to improve resource productivity and environmental performance of manufacturing, tourism, and micro-sector enterprises in Indonesia, and thereby contribute to inclusive and sustainable industrial development in the country. This objective would be achieved through the widespread implementation of RECP policies, technologies, and practices by enterprises, governments at all levels, by other organizations, and by developing capacities of RECP services providers, including for their technology and finance. Supporting the improvement of energy efficiency was one of the main objectives in the project.</p>		
ACTIVITIES	<p>RECP Capacity and Network. Improved capacity for and widespread utilization of RECP services that support adaptation and adoption of RECP methods, practices and technologies</p> <p>RECP Implementation and Replication. Increased implementation of RECP methods, practices, and technologies by enterprises of the target groups with</p>		

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	<p>monitoring and verification of the environment, resource use and economic benefits accomplished</p> <p>RECP Policy and Regulatory Framework. Policy frameworks strengthened and put in place that foster the utilization of RECP methods, practices and (policy) instruments for the realization of the aims and objectives of the government's key relevant sector policies (environment, industry, energy efficiency and tourism)</p> <p>RECP Technology and Innovation. Increased availability and affordability of suitable RECP technologies for the target enterprise groups those contributing to and/or inspired by GC&E, IS and/or C2C.</p> <p>RECP Investment and Finance. Appropriate financial instruments for RECP investments in target enterprise groups proposed and promoted for implementation environment, industry, energy efficiency and tourism</p>
RELEVANCE	SECO can further energy efficiency efforts in Indonesia to curb the country's energy demand and accelerate its achievement of its NZE target.

v. USAID

- **Overview**

Support from the United States to Indonesia began in 1950 when the first economic and technical cooperation agreement was signed between the two countries. Since then, through USAID, the United States has partnered with Indonesia to develop the country’s infrastructure and economy, as well as tackle issues with poverty, unstable food supply, infectious diseases, maternal and child health, and natural disasters.³⁵

USAID SUPPORT IN INDONESIA IN FIGURES³⁶	
\$36 billion	Total worth of federal direct investment (FDI) to Indonesia from 2013-2017
\$1.62 billion	Total amount of private and public investments mobilized towards clean energy since 2015 ³⁷
\$5 billion	Total amount to be of private and public financing to be mobilized through SINAR for investments in renewable energy, energy efficiency, and other advanced energy systems
2,000 MW	Total capacity of renewable energy generation that USAID aims to help install through SINAR

In its current Country Development Cooperation Strategy for Indonesia, USAID identifies the increase in reliable, equitable and sustainable energy as one of the

³⁵ USAID. [Indonesia: History](#).

³⁶ USAID (2019). [Making an Impact](#).

³⁷ USAID. [Indonesia: Environment](#).

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intermediate results (IRs) towards one of its four development objectives (Dos): Environmental sustainability improved. This is further divided into three sub-IRs: (1) deployment of advanced energy accelerated; (2) performance of energy utilities improved; and (3) transparent and best value procurement increased. It also identifies five cross-cutting areas to be applied to all four DOs: (1) governance reforms; (2) more informed and active public participation; (3) rights and tolerance elevated; (4) workforce productivity increased; and (5) public and private capacity to expand economic growth strengthened, with an emphasis on private sector engagement.³⁸

³⁸ USAID (2020). [Country Development Cooperation Strategy \(CDCS\) - Indonesia, 2020-2025](#).

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● Selected projects

PROJECT NAME	Accelerating Sustainable Energy Deployment in Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy / renewable energy
START DATE	No information provided.	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Loan	PROJECT STATUS	Active
AMOUNT	USD 5 billion private and public financing	AMOUNT DISBURSED	USD 1.78 billion (as of 4 Aug 2022) ³⁹
PROJECT DESCRIPTION	USAID's Sustainable Energy for Indonesia's Advancing Resilience (SINAR) will help national and subnational governments, state-owned energy utilities, businesses, financial institutions (such as banks), universities, and other key players to (1) accelerate the deployment of advanced energy systems, (2) improve the performance of energy utilities, (3) advocate for transparent and best value procurement, and (4) strengthen the institutional frameworks and capacity for energy sector transformation.		
ACTIVITIES	<p>Through SINAR, USAID seeks to achieve the following results over the next five years:</p> <ul style="list-style-type: none"> ● Mobilize \$5 billion private and public financing for investments in renewable energy, energy efficiency, and other advanced energy systems; ● Assist with the installation of 2,000 megawatts of renewable energy generation ● Improve access to energy for 5 million Indonesians 		
RELEVANCE	USAID can provide further support for increasing affordable, sustainable, clean, and reliable energy access. This can also help PLN diversify its operations and make its business more sustainable through the higher incorporation of renewable energy.		

³⁹ USAID (2022). [Indonesia And United States Deepen Clean Energy Partnership](#).

2.4 Philanthropies

vi. IKEA Foundation

- **Overview**

The IKEA Foundation is funded by INGKA Foundation and is independent from the retail business with a sole focus on philanthropy and grantmaking. Grant themes include climate action and renewable energy.

- **Contact**

<https://ikeafoundation.org/contact/>

- **Selected projects**

PROJECT NAME	New Energy Nexus Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	
START DATE	2019	CLOSE DATE	2021
TYPE OF ASSISTANCE	Grant	PROJECT STATUS	Completed
AMOUNT	USD 10 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The IKEA Foundation has committed \$10 million over the next three years (2019 – 2021) to support the ecosystem of entrepreneurs and accelerators addressing Indonesia’s widespread energy access and renewable energy challenges. This is following a year-long pilot in Indonesia by New Energy Nexus to test how to support local startups to drive renewable energy.		
ACTIVITIES	<p>The \$10 million grant from the IKEA Foundation was to help New Energy Nexus Indonesia develop the following initiatives:</p> <ul style="list-style-type: none"> ● Startup support. Startups were to receive business training and mentoring, introductions to customers and investors, pitch training and were to be exposed to international best practices in renewable energy service delivery. ● Energy access support. Existing and new startups and developers were to be coached and supported regarding the challenges of providing electricity to off-grid communities. ● \$4 million seed fund. This fund was to provide seed grants and investments to high potential energy access and clean energy startups coming out of the New Energy Nexus Indonesia program. 		

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RELEVANCE	The IKEA Foundation can provide future support towards the improvement of Indonesia’s energy transition by helping create an enabling environment through the promotion of private sector participation.
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PROJECT NAME	Partnering to accelerate climate action in Indonesia		
COUNTRY/REGION	Indonesia	SECTOR/SUBSECTOR	Energy policy
START DATE	No information provided.	CLOSE DATE	No information provided.
TYPE OF ASSISTANCE	Technical assistance	PROJECT STATUS	Active
AMOUNT	USD 12 million	AMOUNT DISBURSED	No information provided.
PROJECT DESCRIPTION	The new partnership will have a special focus on supporting ambitious, transparent, and measurable policy progress in the economic sectors that use the most energy—transportation, buildings, appliances, and heavy industries.		
ACTIVITIES	In tandem, the partnership will seek to elevate the role of the national and international business and investment communities in demonstrating that a path of ambitious climate action is the best way for Indonesia to attract investment and jobs, reduce risk and boost competitiveness over the long term. Early strategic priorities were developed in collaboration with other climate funders supporting the transition to net-zero, and grantmaking will seek to align with and amplify the impact of partners’ efforts. Finally, in concert with other interested funders, the initiative will explore how to build a long-term, climate-focused organizational presence in the country that is led and governed by Indonesians for the benefit of Indonesia.		
RELEVANCE	The IKEA Foundation can provide continued support towards the improvement of Indonesia’s energy transition by helping create an enabling environment through the development of appropriate policies and the promotion of private sector participation.		

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