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Energy Compact title

Indonesia developed a roadmap for SDG implementation in 2018 which served as a guide for various stakeholders. The roadmap was developed by the Ministry of Energy and Coal and Mineral Affairs (MEMA) in collaboration with the Ministry of National Development Planning (Bappenas) and the Ministry of Environment, Forestry and Climate Change (KLHK).



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<p>Increase share of renewable energy mix in total primary energy supply from 12.3% in 2022 to 23% by 2029</p>	
<p>To achieve the 2030 renewable energy mix target, there are several strategies that can be considered</p> <ol style="list-style-type: none"> 1. Massive development of NREPP, including Floating Solar PV and Rooftop Solar; 2. Mandatory of biodiesel and other biofuel implementation 3. Biomass Cogfiring 4. Dedeiselization converting diesel PP into NREPP <p>On the transmission side, government is planning to accelerate the grid connectivity in certain areas that could enable more penetration of Renewable Energy, especially in Industrial Estates and Economic Zone as demand center; in line with the RE Based Industrial Development (REBD) program</p> <p>The carbon trading mechanism that has been launched for the power generation sector is expected to provide incentives to developers of NRE plants because they can sell carbon surpluses in the form of Emission Reduction Certificates (SERCs). In spite, in its practice many improvements are still needed</p> <p>Several financing options</p> <p>First, feasibility gap financing project development financing and credit enhancement for investment (ADB 2019), including green investments and bonds (ADB 2022). Second, the newly launched blended finance mechanism for energy transition in Indonesia - the Energy Transition Mechanism (ETM) - which is a country platform to mobilize public and private sources of finance, and also Geothermal Resource Risk Mitigation (GRRM) by World Bank</p>	
<p>2030</p>	
<p>USD 122.1 Billion</p>	<p>Estimated based on difference between Baseline and Intervention scenarios, financial requirement gap to increase the percentage of renewable energy mix, in the updated Roadmap for Sustainable Development Goals 2023-2030</p>
<p>Improve energy intensity of the economy from 133.9 SBM/MLRp in 2021 to 125.96 SBM/MLRp in 2030</p>	
<p>The Government has recently released Government Regulation Number 33/2023 concerning Energy Conservation, which mandates the national implementation of energy efficiency programs, such as Mandatory Energy management (for energy consumer more than 400 TCE/year), Minimum energy performance standard (MEPS) and labelling of electrical appliances, Electrification and EV implementation and fuel economy standard, as well as raising public awareness through campaign and awards</p> <p>In order to boost energy efficiency, it is essential to improve its financial benefits through the establishment of an Energy Service Company (ESCO). Accelerating the establishment of regulations to provide a legal umbrella for ESCOs will greatly help to create a market for energy efficiency projects. Furthermore, the development of integrated financing platforms in the banking sector will encourage the development and adoption of energy efficiency projects in buildings and housing</p> <p>The insurance industry and donor funding can also contribute to increasing trust between energy efficiency project actors, for example by developing an Energy Saving Insurance (ESI) scheme. ESI is a risk reduction package consisting of financial and non-financial elements designed to increase investor confidence in energy efficiency projects</p>	
<p>2030</p>	
<p>To be estimated (still in elaboration for calculation)</p>	<p>The updated Roadmap for Sustainable Development Goals 2023-2030 has identified financing needs at the aggregate energy demand per capita level. No dedicated estimates available for investments towards energy efficiency. However, since 2018, the investment of energy conservation in Indonesia has reached around USD 12 million per year in average</p>

