

Press Release

THE 2ND WORLD PARLIAMENTARY FORUM ON SUSTAINABLE DEVELOPMENT: ACHIEVING GREEN ENERGY TOWARDS SDGS

Bali – Minister of National Development Planning/Head of National Development Planning Agency Bambang Brodjonegoro emphasized the importance of green energy by shifting to new and renewable energy to reduce the exploitation of fossil fuels and at the same time, to create quality jobs for the people. According to the International Renewable Energy Agency, Indonesia has employed 223,000 people in renewable energy sector in 2014. In 2025, the number is projected to reach up to 323,000 workers. “We have mapped Indonesia’s potential in producing renewable energy as much as 441.7 Giga Watt (GW) from hydro, solar, wind, bioenergy, geothermal and ocean. Currently, we are only using 2 percent of this huge potential. Therefore, I believe we need to encourage more on the use of renewable energy. We have also mapped out renewable energy projects and the resources needed throughout the country, and we can see that we have the resources to produce renewable energy,” Minister Bambang said at the 2nd World Parliamentary Forum on Sustainable Development: “Partnership towards Sustainable Energies for All” held by the Indonesian House of Representatives in Bali, Indonesia, Wednesday (9/12).

Due to Indonesia’s huge potential in producing renewable energy, the country has formulated strategies to develop renewable energy mentioned in 2015-2019 National Medium-Term Development Plan: 1) Implementing the price and incentive policy to encourage investment on renewable energy; (2) Increasing utilization of renewable energy for power generation; and (3) Increasing the utilization of biofuel for transportation through biodiesel and bioethanol fuel-blending. Indonesia has also formulated the National Energy Policy, which focuses on increasing the energy mix, especially new and renewable energy. Indonesia is currently in the process of balancing energy mix with increasing renewable energy from 7 percent in 2015, to 23 percent in 2025 and 31 percent in 2050. Simultaneously, fossil fuel subsidy has been reduced and the budget shifted to directly subsidizing the poor and financing clean and renewable energy.

In the 2018-2027 Electricity Supply Business Plan, Indonesia’s potential in renewable energy will be maximized. The country plans to build power plants that relies on the use of new and renewable natural resources such as solar and wind, in the various locations. The development of new and renewable power plants will contribute to the increase of new and renewable energy in Indonesia’s energy mix. In 2025, these power plants can produce as much as 45 GW of energy. Indonesia will continue to build more power plants, expecting to produce 169 GW of energy from these new and renewable power plants in 2050. “To ensure that we can employ even more people in renewable energy, we need to formulate strategies to match people in answering the demands of the renewable energy jobs. Higher education has an important role in producing graduates to respond this demand,” Minister Bambang added. Research centers on renewable energy have flourished in many universities, such as in Bandung Institute of Technology (ITB), University of Indonesia (UI), Gadjah Mada University (UGM), Udayana University, and many more. Education and research mainly focus on solar, geothermal and bioenergy, as well as nanostructured material, energy storage and thermo-conversion.

Indonesia’s current challenges in implementing Goal 7: Affordable and Clean Energy of the SDGs are affordability, reliability and sources of energy. In 2017, 97 percent of Indonesian households has access to electricity. In 2020, the number is expected to soar to 100 percent. The demand for electricity will continue to grow alongside population and economic growth, and the increasing of middle and upper class has consequences to consume more electricity. Currently, Indonesia consumes more than 1,000 kilo watt hour (kWh) per capita and it is projected that in 2025 the consumption will be as much as 2,500 kWh per capita. This increase means the country can no longer depend on limited fossil fuel as the main source of power for electricity and start shifting to a more renewable or green energy, in accordance with SDGs targets. “For Indonesia, the SDGs is used as a comprehensive framework, not only to pinpoint specific issues regarding green energy, but also to improve prosperity and reduce inequality, with numbers of relevant targets and indicators of SDGs mainstreamed to the 2015-2019 National Medium-Term Development Plan,” Minister Bambang explained.

Indonesia recognizes that the SDGs, with its 17 goals, 169 targets and 241 indicators, serves as guidance to be more prudent and systematic in terms of reducing inequality to eradicate poverty. The reduction of inequality in Indonesia is reflected by the decreasing of *gini coefficient* from 0.410 in 2012 to 0.389 in 2018. Also, Indonesia has achieved reduction on poverty rate, from 11.25 in 2014 to 9.82 in 2018. The Human Development Index has also increased to 70.81 in 2017 from 70.18 in 2016, while the unemployment rate decreased to 5.13 percent in 2018 from 5.70 percent in 2014. In addition, the economic growth among regions in Indonesia has gradually increased as well. In the effort of reducing inequality, Indonesia has paid more attention and planning on the infrastructure and connectivity development. For the last three years, Indonesia has built new airports, opened new route for sea toll, increased the length of toll road, as well as established new railway. The focus on this particular development sectors is mainly implemented at the isolated, outermost and border area of Indonesia. Therefore, according to Global Competitiveness Index 2017- 2018, Indonesia's infrastructure competitive index has increased from number 61 in 2013 to 52 in 2017.

Currently, the government is developing Public-Private Partnership (PPP) scheme, of which 19 infrastructure projects are funded with the scheme, with 3 of these projects are focused on the energy sector such as electricity, new and renewable energy and energy conservation. Beside the PPP scheme, Indonesia has also developed the scheme of Blended Finance, a strategic finance scheme of development for mobilization of additional finance towards sustainable development in developing countries. With this scheme, public, private and commercial funds can contribute to finance projects for achieving SDGs targets. The achievement of education, energy, industry as well as innovation sectors to obtain higher economic growth and people prosperity needs support and contribution from multi- stakeholders. Global Organization of Parliamentarians Against Corruption (GOPAC) mentions that parliamentarians have an opportunity, and a constitutional responsibility, to play a significant role in supporting and monitoring SDGs implementation. "The Agenda 2030 Declaration acknowledges the "essential role of national parliaments through their enactment of legislation and adoption of budgets, and their role in ensuring accountability for the effective implementation of our commitments." Thus, members of parliament are uniquely positioned to act as an interface between the people and state institutions, and to promote and adopt people-centered policies and legislation to ensure that no one is left behind," Minister Bambang concluded.

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Parulian Silalahi
Head of Public Relation & Executive Administration Bureau
Ministry of National Development Planning/
National Development Planning Agency

For further information:
Ministry of National Development Planning/
National Development Planning Agency
Jl. Taman Suropati No. 2 Jakarta 1031
Phone: (021) 31936207, Fax: (021) 31901154
e-mail: humas@bappenas.go.id