Promoting Clean Technology in the Energy Sector: Indonesia’s Response

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Indonesia’s development strategy aims to promote a synergy between economic growth, social equality, and environmental sustainability. Mainstreaming a green paradigm in various development agendas and programs, as well as educating our citizens on the need to preserve the environment for future generations, are high on our government’s list of priorities.

As part of our commitment to reducing global emissions, Indonesia ratified the Paris Agreement in 2016, and simultaneously sought to develop an emissions-reduction strategy.

The Indonesian government believes that global partnership is essential for achieving, in tandem, the national development strategy and our global commitment under the Paris Agreement. Global partnership is an important part of the adaptation process, and this includes the use of clean technology.

Indonesia’s clean technology policy focuses largely on the energy sector. By 2025, the country’s national energy demand will reach 400 million tonne of oil equivalent (MTOE). The government has set the target for renewable energy contributions to the national energy mix of up to 23 percent, of which 19 percent will utilize geothermal and hydroelectric energy sources. Indonesia has a 28 gigawatt geothermal energy reserve (40 percent of the global reserve) and is capable of generating 75 gigawatts of hydroelectric energy.

But unleashing Indonesia’s geothermal and hydroelectric potential requires huge investment and the application of advanced technology. By government calculations, to reach the 23 percent renewable energy target, the government needs around US$1.5 trillion in investment. In 2016, the Indonesian government allocated US$1.5 billion to develop geothermal energy, but this number is still short of the actual need. Global partnership is therefore crucial to financing such massive projects.

By adopting clean technology, especially in the energy sector, Indonesia will make a positive contribution to the global effort to reduce emissions. This is also in line with our national commitment to reach emissions-reduction targets of up to 29 percent (by Indonesia's own efforts) and 41 percent (with international assistance) by 2030.

Finally, as a responsible member of the international community, Indonesia is committed to pursuing a development path that results in sustained economic growth while simultaneously respecting the environment.
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