

Principles and Guidelines for an Equitable and Just Energy Transition in Indonesia



This document contains the stance and demands expressed by Indonesian civil society organizations in responding to the energy transition process that is currently taking place in Indonesia, including the mechanisms and platforms that have been and will be developed in the context of the energy transition in Indonesia such as the Climate Investment Funds (CIF), the Energy Transition Mechanism (ETM), Coal Retirement Mechanism (CRM), Indonesia Energy Mechanism Country Platform (EMCP), Just Energy Transition Partnership (JETP) and other schemes that may be developed in the future.

We consider that the energy transition must be a process that replaces the extractive and centralistic energy supply pattern into a regenerative and democratic one, so that it is

beneficial to society and the environment. We also believe that the energy transition in Indonesia must be a transition to just and sustainable energy, namely energy that comes from renewable energy sources, such as solar, wind, and other energy that is managed based on the values and principles of justice, sovereignty, transparency, accountability, integrity/anti-corruption, prioritizing the preservation of environmental functions for humans and non-humans, respecting the nobility of local customs/cultural traditions and increasing the resilience of people's livelihoods as well as supporting efforts to overcome the climate crisis.

To achieve the energy transition mentioned above, the Indonesian government must manifest the following principles:

I. Accountable, Transparent and Participatory

- The Government of Indonesia must ensure the transparent distribution of information regarding the energy transition process and funding management, including JETP, both sources and allocations, to all stakeholders, especially the victims/affected people, including women, children, disabled groups, and vulnerable communities.
- The principle of accountability must be upheld and zero tolerance for corrupt practices, collusion, and nepotism as well as sexual violence.

- Representation of affected groups such as labor groups, local communities, vulnerable communities, and minority groups should be included in the decision-making process.
- The Government of Indonesia should develop a legally binding and enforceable policy framework for energy transition plans.
- The Government of Indonesia must have a monitoring and evaluation scheme for the implementation of the energy transition based on clear and measurable performance and key indicators in which the disbursement of donor funds and/or other third parties, is issued in stages based on the performance shown by the government;
- The development of renewable energy infrastructure must be carried out on a bottom-up basis by taking into account the availability of local renewable energy sources and the agreement of the affected communities.

II. Respect, Fulfillment, and Protection of Human Rights

- All energy transition solutions must not create new problems and need to apply the principles of human rights protection including the rights of women and children as well as the protection of human rights and environmental defenders, including the application of the principles of free prior informed consent.
- All energy transition solutions must not lead to the seizure of community land and must respect the sovereignty of the communal land.
- The energy transition process must ensure that social impacts, particularly on the vulnerable including women and children, indigenous peoples and persons with disabilities are properly accounted for and addressed;
- The energy transition process must ensure that the rights of workers, especially the vulnerable, are guaranteed through a combination of instruments such as social security, knowledge/skills transfer and the creation of new jobs.
- The energy transition must lead towards renewable energy that upholds the principle of non-discrimination without discriminating against ethnicity, race, religion, gender, and class.

III. Ecological Justice

- The partnership developed in the energy transition between the Indonesian government and other parties, such as the G7 countries, multilateral development banks, and international financial institutions, must be based on the principles of equality by not eliminating the responsibility for reducing carbon emissions and the responsibility for loss and damage of each party, applying the common but differentiated responsibilities principle.
- The energy transition process must include prerequisites that ensure that corporate bodies including SOEs are responsible for environmental and social recovery using the GEDSI (Gender Equality, Disability and Social Inclusion) perspective on gender due to the production and use of fossil energy as well as in the development of renewable energy infrastructure;



- Promote a holistic life cycle approach before establishing energy development policies. So that the determination of energy policy is in accordance with the values and principles of justice and sustainability.

IV. Economic Justice

- The energy transition process must ensure that there is access, affordability, availability and ownership of renewable energy and other economic resources for and by communities including women, children, indigenous peoples, persons with disabilities and vulnerable communities and minority groups;
- The government must ensure the affordability of energy in a democratic and decentralized manner.
- Creating an economic climate that favors fair and sustainable renewable energy.
- The government must ensure affordable access, sustainable economic and energy strengthening, especially for regions/regions that have been dependent on fossil extractive resources.

V. Transformative

- Comprehensive reform of energy policy and governance with actions in line with the Paris Agreement to prevent a rise in global average temperature of up to 1.5 degrees Celsius.
- Encouraging the transformation of comprehensive economic development from an extractive and centralistic economy to a regenerative and democratic economy.
- Ensure policy transformation by promoting inclusive green jobs for all levels of society.

The Five Guiding Principles of an Equitable and Just Energy Transition above must be realized by taking the following strategic steps:

1 Acceleration of Coal Power Plant Early Retirement and Closure of Coal Mines

- Gradual closure of all coal-fired power plants, including captive power plants, starting no later than 2025 until the closing of all coal-fired power plants no later than 2040.
- Prohibition of granting new permits for the construction of coal power plants without exception¹.
- Immediate cancellation of coal-fired power plants construction contained in the Electricity Supply Business Plan (RUPTL) which has not yet reached financial closing and coal-fired power plants currently in the construction stage.
- An accountable and transparent assessment of the criteria of coal-fired power plant early retirement, taking into account the economy, social responsibility, environment, human rights, women's, and children's rights, including ensuring that the coal-fired power plant is not overcompensated using public funds.
- Cessation of granting new coal mining business licenses and progressive restrictions on production and export quotas of thermal coal until it reaches termination no later than 2050.

2 Abandon False Energy Transition Solutions

- False solutions are energy sources and its use that create new environmental and social impacts, are high risk, not regenerative, do not significantly reduce emissions, are not distributive, and are not inclusive.
- The energy transition is obliged to reject energy sources that are clearly fake solutions such as fossil gas, all forms of coal co-firing, nuclear, implementation of carbon capture and storage in coal-fired power plants, coal down streaming, and other forms of fake solutions including dirty technology transfer from developed countries (G7) and other parties.

¹The Coal-fired power plant referred to in this section are coal-fired power plant that already exist in the RUPTL 2021 to 2030, coal-fired power plant for self-interest (captive), and coal-fired power plant that are integrated with national strategic projects.

- Transforming the use of critical minerals for the transition by making people and the planet the primary consideration, strengthening governance and anti-corruption within the value chain, and ensuring a globally equitable transition.
- Develop and consider a comprehensive life cycle assessment of potential renewable energy sources to review environmental impacts, social impacts, renewability, and significance in reducing emissions.

3 **State Electricity Company (PLN) Reform and Energy Policy**

- Reform of PLN's governance and structure towards institutions with a vision of a more equitable energy transition that accelerates Indonesia's decarbonization.
- Strengthening supervision of PLN by State-Owned Enterprises and Energy and Mineral Resource Ministry by developing mechanisms for direct public and consumer supervision.
- The government needs to encourage financial institutions and banks to carry out the process of divesting from fossil energy
- The government must create a business climate that is in favor of renewable energy that is just and sustainable, by providing incentives for renewable energy that is fair and sustainable, as well as disincentives for dirty energy.
- Establish licensing documents, contracts, and all supporting documents in the energy and electricity business as public information.

4 **Energy Transition Planning and Implementation**

- Establishment or assignment of a multi-stakeholder and cross-sectoral energy transition management organ that has the authority to facilitate and coordinate all processes, planning, decision making, implementation, monitoring and evaluation and ensuring the process is carried out in an inclusive and transparent manner, with broad participation from civil society organizations and elements of society affected, whether women, men, children, people with disabilities, transgender people, and other marginalized communities;

- The energy transition management organ is obligated to provide access to public information for the public, including complaint and dispute resolution mechanisms;
- The central government together with local governments make a roadmap for the long-term and medium-term energy transition that is equitable for communities that are economically, socially, and environmentally affected, which is set out in legislation product that oversees the implementation of cross-term administration;
- Comprehensive energy transition planning with public consultation involving the participation and representation of people from various backgrounds and regions, especially vulnerable communities and affected communities.
- The transition solution must also go through a bottom-up process taking into account the availability of local energy sources based on the consensus of the vulnerable and affected communities.



Glossary

Climate Investment Funds (CIF): Is an international financial organization that aims to help developing countries to mitigate and adapt to climate changes. One of CIF's programs being developed in Indonesia is Accelerating Coal Transition, this funding scheme aims to help the country to transition from coal to renewables for energy sources.

Energy Transition Mechanism (ETM): Is a funding scheme developed by The Asian Development Bank, Indonesian Government and Philippines Government. This funding scheme aims for early coal fired power plant decommissioning, and accelerating renewable energy development.

Energy Mechanism Country Platform (EMCP): Is the country platform developed by Indonesian Government and The Asian Development Bank for decommissioning of coal fired power plants, and to develop renewable energy.

Just Energy Transition Partnership (JETP): Is the multilateral cooperation developed by the Indonesian Government and the G7 countries to accelerate energy sector decarbonization and raise energy efficiency.

We the following organizations support the values
and principles contained in this document:

