

Indonesia Just Energy Transition Partnership Launched at G20

- The new Indonesia Just Energy Transition Partnership (JETP) will mobilise \$20 billion [£17bn] over the next three to five years to accelerate a just energy transition.
- The UK stands ready to support delivery of the partnership, including through a \$1 billion World Bank guarantee. ¹
- The Indonesia JETP launch builds on momentum of other JETP progress during the COP27 Summit in Sharm El-Sheikh, Egypt.

Prime Minister Rishi Sunak joined other world leaders at the G20 today [15 November] to launch the Indonesia Just Energy Transition Partnership (JETP) at the Partnership for Global Infrastructure and Investment (PGII) side event.

This country-led partnership will help Indonesia pursue an accelerated just energy transition away from fossil fuels and towards renewable sources. The JETP includes an ambitious pathway to reduce power sector emissions, a strategy based on the expansion of renewable energy, and the phase down of coal. This transition will not only deliver enhanced climate action, but will help support economic growth, new skilled jobs, reduced pollution, and a resilient, prosperous future for Indonesians.

The agreement focuses on achieving this transition in a way that considers all workers, communities and societal groups affected directly or indirectly by an energy transition away from coal, and helps to ensure that they are supported through concrete commitments.

The JETP model was pioneered at the COP26 Summit in Glasgow last year, where South Africa and an International Partners Group (IPG) of France, Germany, the United Kingdom, the United States of America, and the European Union announced a ground-breaking long-term \$8.5bn JETP, setting a new precedent in the global just energy transition.

Indonesia is the second country to launch a JETP. Among the world's ten largest greenhouse gas emitters, Indonesia is now accelerating its transition to clean energy through the JETP's strengthened commitments to maximise the use of abundant renewable energy resources and a strong political commitment to phase down coal-fired power in the medium-term.

In support of these commitments and actions, the Indonesia JETP will mobilise \$20 billion over the next three to five years. \$10 billion of public money will be mobilised by the IPG members and at least \$10bn of private finance will be mobilised and facilitated by the Glasgow Financial Alliance for Net Zero (GFANZ) Working Group.

The United Kingdom has been an instrumental member of the IPG helping to agree this ambitious new JETP with Indonesia. The UK stands ready to support

delivery of the partnership, including through a \$1 billion World Bank guarantee. This facility will allow the Government of Indonesia to extend their borrowing on affordable World Bank terms by up to \$1 billion.

The partnership will be a long-term political agreement between the Government of Indonesia and an IPG comprising the United States of America and Japan as joint leads, along with the United Kingdom, Germany, France, the European Union, Canada, Italy, Norway, and Denmark.

Prime Minister, Rishi Sunak said:

“The global infrastructure gap is huge, and no single country can fix it on its own. That’s why we created the Partnership for Global Infrastructure Investment under the UK’s G7 Presidency last year. Today I am proud that we’re launching the Indonesian Just Energy Transition Partnership, to help accelerate Indonesia’s transition to a green economy and unlock billions in private finance for new infrastructure.”

COP26 President, Alok Sharma said:

“Just Energy Transition Partnerships (JETPs) are an innovative finance model that I am proud to say came out of COP26 and embody the ambition we called for in Glasgow. They provide a means for partner countries to work with climate finance donors and private sector investors on a clean, just energy transition to create new jobs, economic growth, clean air and a resilient, prosperous future.

“This country-led partnership will support Indonesia to accelerate its transition away from coal as part of the country’s commitment to its 2060 net zero target”.

The Indonesia JETP launch builds on the momentum from the COP27 Summit in Sharm El-Sheikh, which saw progress on implementing the South Africa JETP and commitment to launch a JETP with Viet Nam this year ² . It demonstrates progress on the UK-launched G7 Partnership for Global Infrastructure and Investment (PGII). JETPs are a core delivery mechanism of PGII, which aims to narrow the infrastructure investment gap in developing countries ³ .

Just ahead of COP27, South Africa released their Just Energy Transition Investment Plan which outlines clear pathways for implementation. At COP27, Prime Minister Rishi Sunak met with the President of South Africa Cyril Ramaphosa, along with the European Union, United States of America, Germany, and France to discuss the JETP. Following this key milestone, a [12 month update on progress in advancing the South Africa JETP](#) was published which acknowledges the progress made and outlines the next steps in this long-term partnership.

At COP27, [COP26 President Alok Sharma, met with Tran Hong Ha, Vietnam’s Minister for Natural Resources and Environment](#) to discuss a potential JETP between the IPG and Vietnam. Minister Ha and Mr. Sharma recommitted to finalising the details of an ambitious political declaration and package of financial support for Viet Nam’s energy transition, with the intent to launch

the agreement before the end of 2022.

Work also continues between the IPG and the Government of India towards concluding a partnership on just energy transition in 2023 during India's G20 Presidency. The IPG is also working closely with the Government of Senegal to explore a way forward for a JETP. Further details will be shared in due course.

¹ Government has agreed to provide a guarantee. Parliament will be consulted before the final guarantee is signed.

²<https://www.gov.uk/government/news/cop26-president-meeting-with-vietnamese-minister-ha-8-november-2022>

³<https://www.gov.uk/government/news/g7-leaders-statement-partnership-for-infrastructure-and-investment>