

Just Energy Transition Partnership (JETP) with Indonesia

Concept

The Just Energy Transition Partnerships (JETPs) bring donor countries together with ambitious emerging and developing countries to achieve the 1.5°C target of the Paris Agreement.

In order to accomplish the ambitious JETP climate targets, the partner countries work with the G7 and other donors to develop tailor-made policy and investment plans. These plans cover necessary reforms, investments and concrete projects for the energy transition. To make the transition just, there is a strong focus on social aspects, alongside climate policy objectives. The only way for the transition to succeed is when the population contributes to it and if particularly vulnerable people are taken into account. As a consequence, JETPs not only promote climate action, but also support the 2030 Agenda for Sustainable Development.

JETPs combine proven and innovative approaches of international cooperation: they build on ownership of the partners, they pool support provided by bilateral donors and multilateral banks to deliver on a joint objective and they put an increased focus on private investments.

Objectives of the JETPs



Accelerate the global energy transition

by expanding renewables and phasing out fossil fuels



Shape a socially just energy transition





capped at 250 Mt CO₂ by 2030 (previously: 357 Mt CO₂)

44% renewable energy by 2030

as a share in the total power mix

(previously 31% by 2050)



across the entire power sector (previously by 2060)

Topics and objectives of the JETP with Indonesia

Indonesia, one of Germany's most important partner countries, is as an island archipelago especially affected by the consequences of climate change. At the same time, it is the world's sixth largest emitter of greenhouse gases (2022). The JETP, which was concluded in November 2022, paves the way for Indonesia to an ambitious energy transition: moving away from fossil fuels, especially coal, and towards renewable energies.

Germany and Japan lead the donor group of the JETP. Other international supporters include Denmark, the European Union, France, the United Kingdom, Italy, Canada, and Norway. The Asian Development Bank and the World Bank also participate in the partnership. The JETP Comprehensive Investment and Policy Plan (CIPP) is the key strategy document for the implementation of the partnership. It sets concrete targets, reforms and investment priorities for Indonesia's energy transition and coordinates the efforts of all partners.

Indonesia's JETP has a strong focus on cooperation with the private sector. Members of the Glasgow Financial Alliance for Net Zero, a group of private banks, are contributing half of the planned total funding. This mobilises additional capital while also actively involving the private sector in the energy transition.

The JETP emphasises social justice and puts the population at its centre. The partnership wants to reshape coal regions, create green jobs and keep energy affordable.



IN PRACTICE **Green Energy Corridor Sulawesi**

As part of the JETP, the German government promotes the expansion of renewable energy infrastructure on the Indonesian island Sulawesi. KfW Development Bank provides a loan to promote the construction of a transmission line, the Green Energy Corridor Sulawesi (GECS).

It is via this line that the public Indonesian energy company Perusahaan Listrik Negara (PLN) is able to transport green electricity from the production sites to both the north of the island and to the city of Makassar in the south.

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