



GIZ Energy Programme Indonesia/ASEAN

Strategic Theme: Sustainable Energy Finance

Purpose & Relevance

Indonesia's energy system must shift from fossil fuels towards renewable energy (RE) to achieve the target of 8% economic growth per year and the net zero emissions (NZE) target by 2060. However, the clean energy sector in Indonesia is still developing, and to achieve PLN's target under the National Electricity Plan (RUPTL 2025–2034), a total electricity investment of nearly IDR 3,000 trillion (approximately USD 184-190 billion) through 2034 will be required.

This cannot be covered by government and international funding alone, thus requiring a robust sustainable financing framework. While RE development combined with grid modernisation is expected to stimulate regional economic growth and create large-scale employment, challenges persist continued fossil-fuel additions in the early planning years, limited mobilisation of private capital, and a sizeable financing gap.

GIZ therefore supports Indonesia in building a strong, coherent, and sustainable financing architecture for the energy transition—strengthening fiscal policies, improving financial instruments, establishing de-risking facilities, and promoting innovative financing mechanisms to mobilise private capital at scale.

Government Targets

GIZ supports the targets outlined by the GoI towards the NDCs, the ambition to achieve NZE by 2060, and the targets outlined in the RUPTL. In addition, Presidential Regulation 98/2021 on the Economic Value of Carbon identifies various mechanisms, including a carbon tax and an emission trading scheme related to the trend of energy transition. Furthermore, Indonesia has entered the Just Energy Transition Partnership (JETP), which explores coal phase-out financing mechanisms through the Energy Transition Mechanism (ETM), and of which Germany holds the co-leadership.

Our Strategic Partners

- **Ministry of Energy and Mineral Resources (MEMR)** and the subordinated Directorate General of Renewable Energy and Energy Conservation (DJ EBTKE) as the key regulator for energy-related topics.
- **Ministry of Finance (MoF)**, in particular the Fiscal Policy Agency, DG of Tax as well as the DG of Debt Management and Risk focuses on the optimisation of fiscal facilities, blended finance and subsidy reforming.
- MoF further oversees GIZ's collaboration with special mission vehicles **PT SMI** (multi-infrastructure financier), **PT PII** (Infrastructure guarantee facility), and **BPD LH** (Environmental Fund), etc.
- GIZ supports the **Financial Services Authority (OJK)** on developing related finance instruments, guidelines, and policies on sustainable finance, as well as carbon economic issues together with **Indonesian Stock Exchange IDX**.
- **Ministry of National Development Planning/Bappenas** (Deputy of Infrastructure, Deputy of Maritime and Natural Resources) to support national planning and budgeting process.
- Lastly, collaboration with the **Ministry of Industry (MoI)** to facilitate access to finance and matching the technology investment for industry decarbonisation.

Besides public partners, GIZ aims to directly work with the private sector (developers, financiers, investors, etc) to increase awareness and capacities.



Achievements

- Strengthened collaboration and dialogue among regulators, financial institutions, and project developers, improving understanding of investment risks and bankability requirements across renewable-energy and energy-transition projects.
- Supported the Ministry of Finance in advancing fiscal-policy reforms, including optimisation of fiscal incentives, improved subsidy-targeting approaches, and initial development of clean-energy-related financing frameworks.
- Enhanced national tax-administration capabilities through data cleansing, system migration, and capacity development related to carbon-pricing instruments.
- Contributed to the alignment of financing tools, institutional frameworks, and policy processes supporting renewable-energy expansion, storage development, and grid-modernisation priorities in line with national power sector plans.

On behalf of:

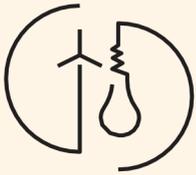


Implemented by:



In cooperation with:





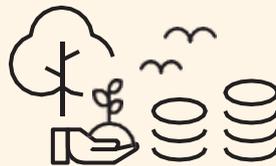
Our Approach

- **Policy & Regulatory Advisory:** Strengthening fiscal, financial, and regulatory frameworks to improve investment certainty and create an enabling environment for sustainable energy finance.
- **Financing Innovation & De-risking:** Supporting blended-finance structures, guarantee schemes, and risk-mitigation tools to attract private investment into renewable energy, energy storage, and energy-efficiency projects.
- **Capacity Development:** Providing targeted training, analytical support, and technical assistance for regulators, developers, financiers, and investors to enhance readiness for sustainable-finance frameworks.
- **Stakeholder Coordination & Market Facilitation:** Convening public and private stakeholders through structured dialogues and project-matchmaking platforms to enhance market integration and accelerate investment pipelines.



Our Mission

GIZ supports the Government of Indonesia (GoI) in preparing a financing framework for the energy transition through fiscal policy reform, designing implementable financial instruments, and setting up the necessary de-risking facilities to catalyse private investments for supporting the energy transition.



Our Projects

The following projects within the Programme support the theme of "Sustainable Energy Finance":

- **Performing Energy Transition through Fiscal Reform In Indonesia (PERFORM):** Budi Kuncoro, Project Lead (budi.kuncoro@giz.de); 5.75M EUR; 2023–2027; BMZ
- **Clean, Affordable, and Secure Energy for Southeast Asia (CASE):** Deni Gumilang, Implementation Manager (deni.gumilang@giz.de); 5.2M EUR; 2020-2027, IKI
- **Strategic Exploration of Economic Mitigation Potentials through Renewables (ExploRE):** Ardian Candraputra, Project Lead (ardian.candraputra@giz.de); 5.35M EUR; 2018-2025, IKI
- **Sustainable Energy Transition in Indonesia (SETI):** Lisa Tinschert, Project Lead (lisa.tinschert@giz.de); Deni Gumilang, Sustainable Energy Finance Lead (deni.gumilang@giz.de); 15M EUR; 2022-2028, IKI
- **Carbon2Price / Green Energy:** Deni Gumilang, Implementation Manager (deni.gumilang@giz.de); 4M EUR; 2025-2029, BMZ

Outlook – What's Coming Next

- JETP ETM country platform in place
- Regulatory framework for RE & EE financing strengthened
- Electricity and fossil fuel subsidy reform strengthened

Contact Points

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GIZ Strategic Themes:



Industry
Decarbonisation



Island Energy
Solutions



Power System
Transformation



Just Energy
Transition



Sustainable
Energy Finance