



CLIMATE
POLICY
INITIATIVE

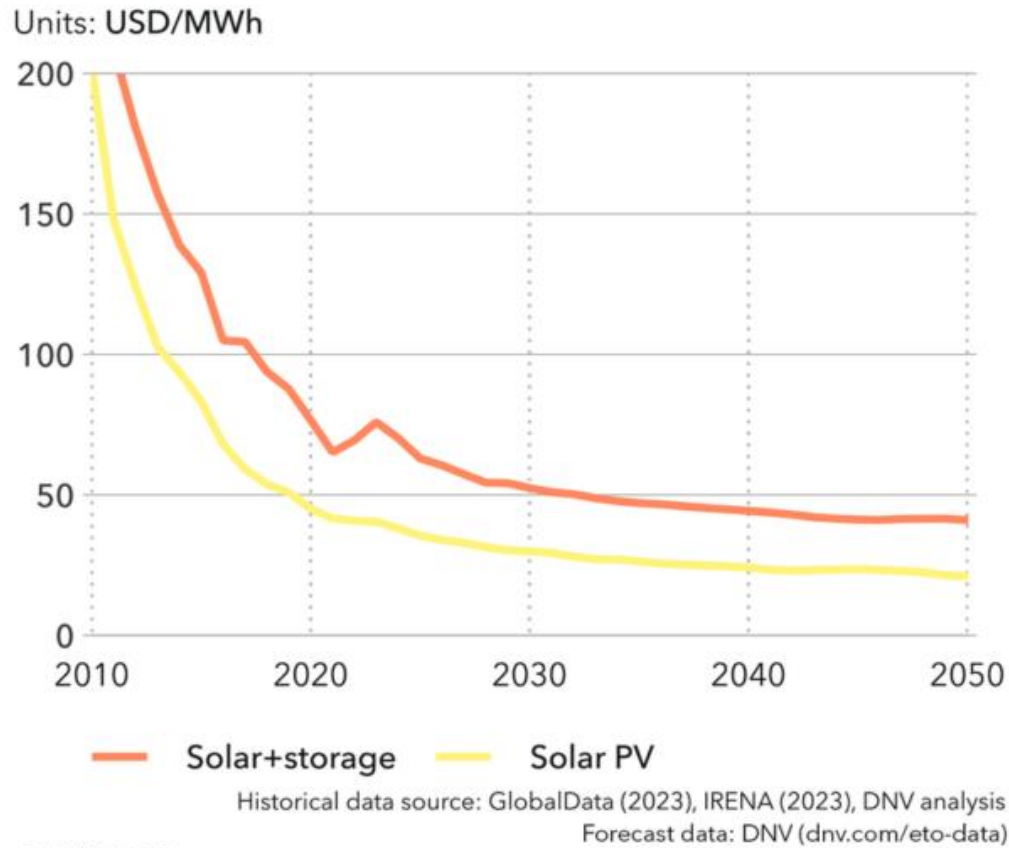
Energy & Climate Policy

Leveraging global trends and national endowments

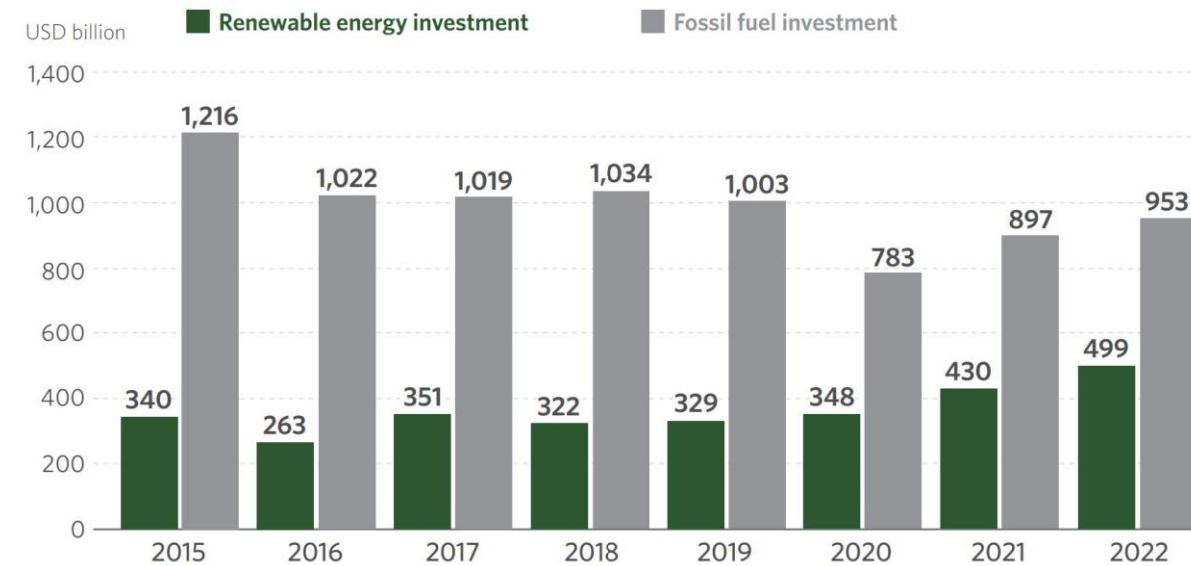
Tiza Mafira, S.H., LL.M.
Country Director

Energy Prices and Investments

World average levelized cost of solar energy



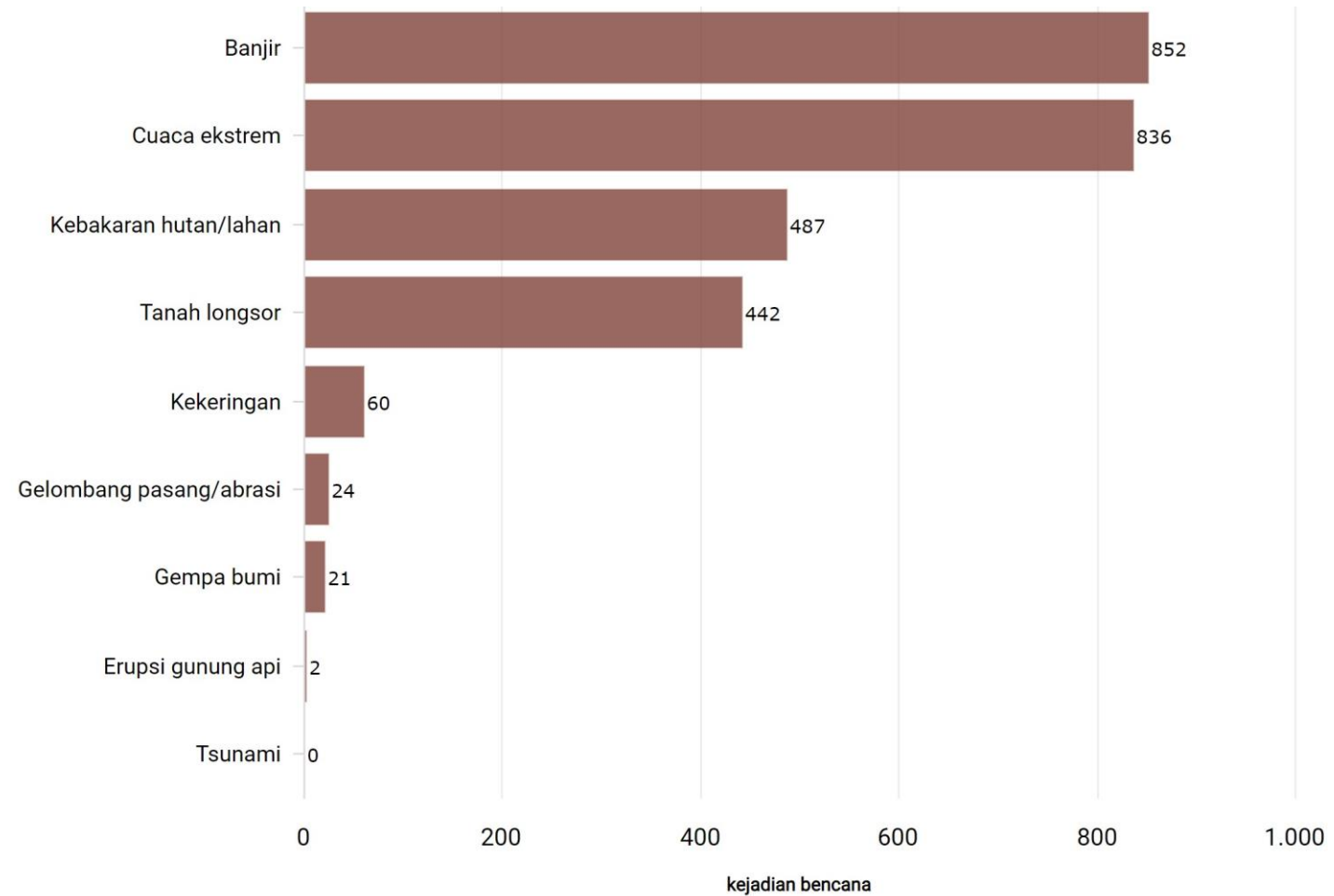
RE vs Fossil Fuel Investment, 2015-2022



Source: IRENA and CPI, 2023

Climate risk

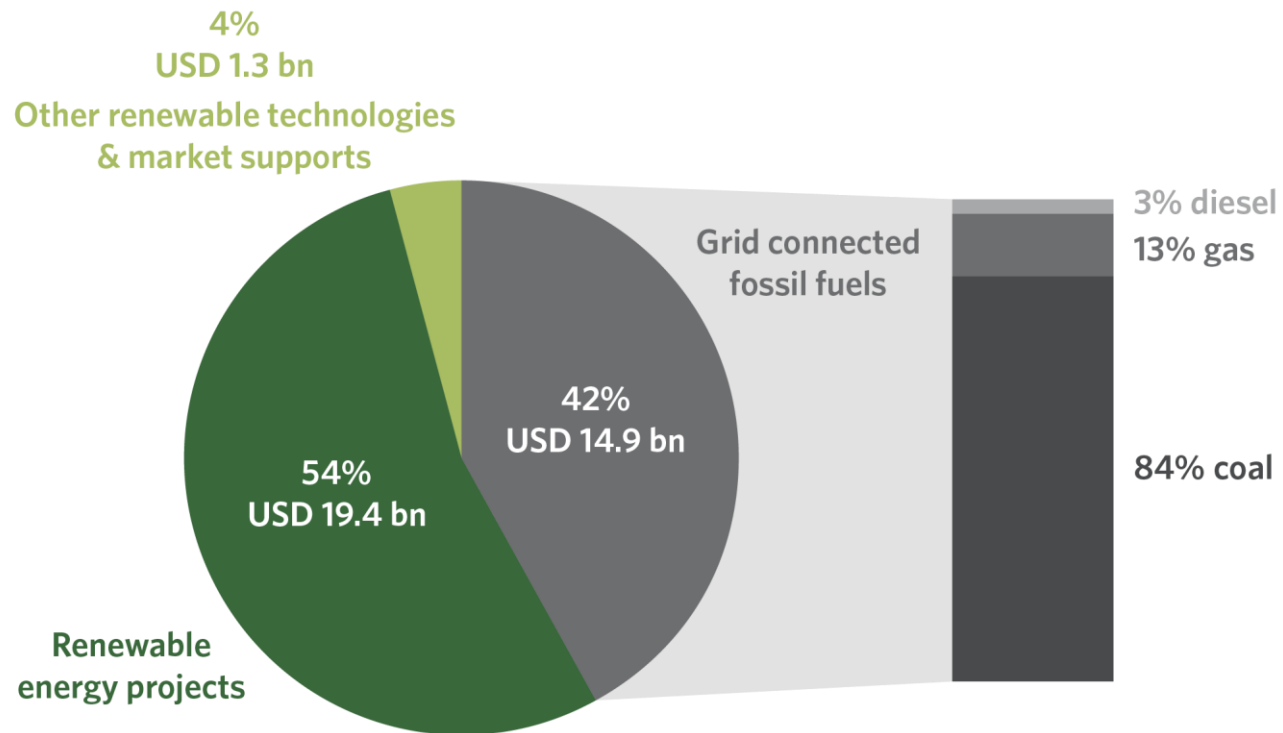
Disaster occurrence in Indonesia, 1 January – 1 September 2023



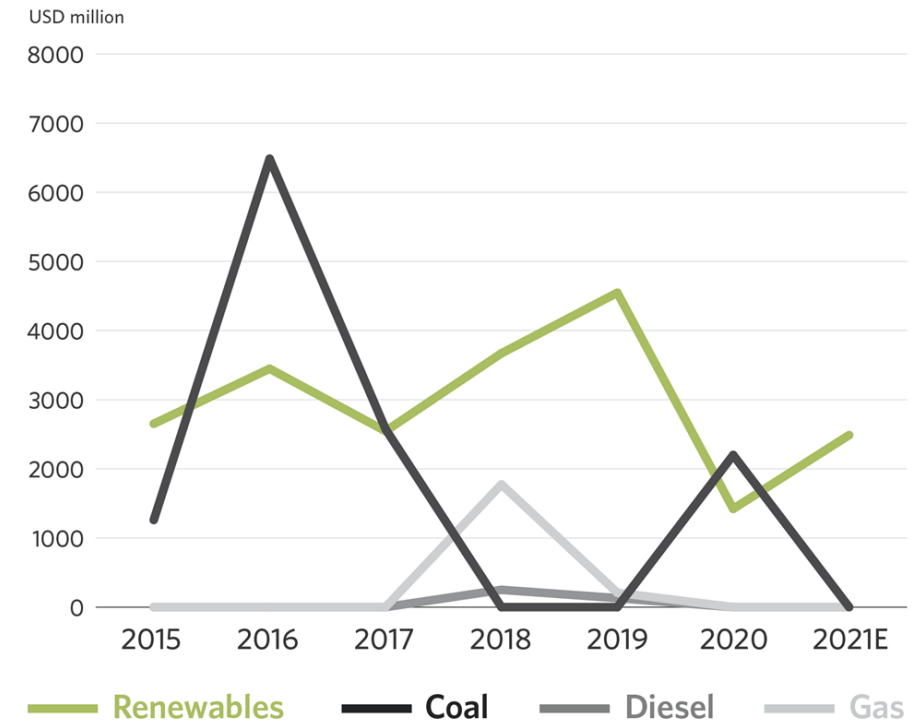
Source: BNPB, Katadata

Progress of energy transition policies in Indonesia

Total finance commitment for Indonesia's power sector 2015-2021



Indonesia's annual energy finance from 2015 to 2021



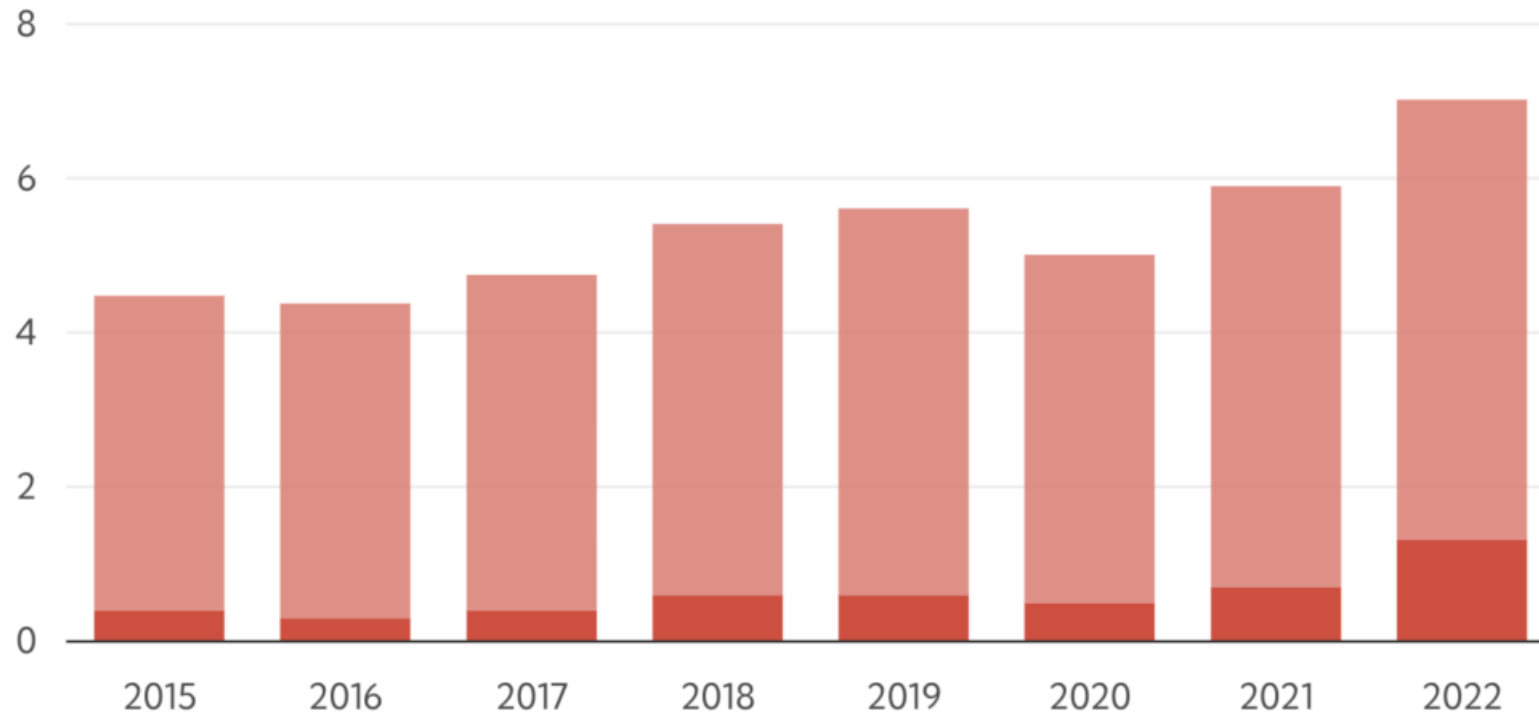
Source: Climate Policy Initiative, 2023

Barriers: high carbon subsidies

Fossil fuel subsidies topped \$7 trillion last year

(total fossil fuel subsidies, trillions of USD)

■ Explicit subsidies ■ Implicit subsidies

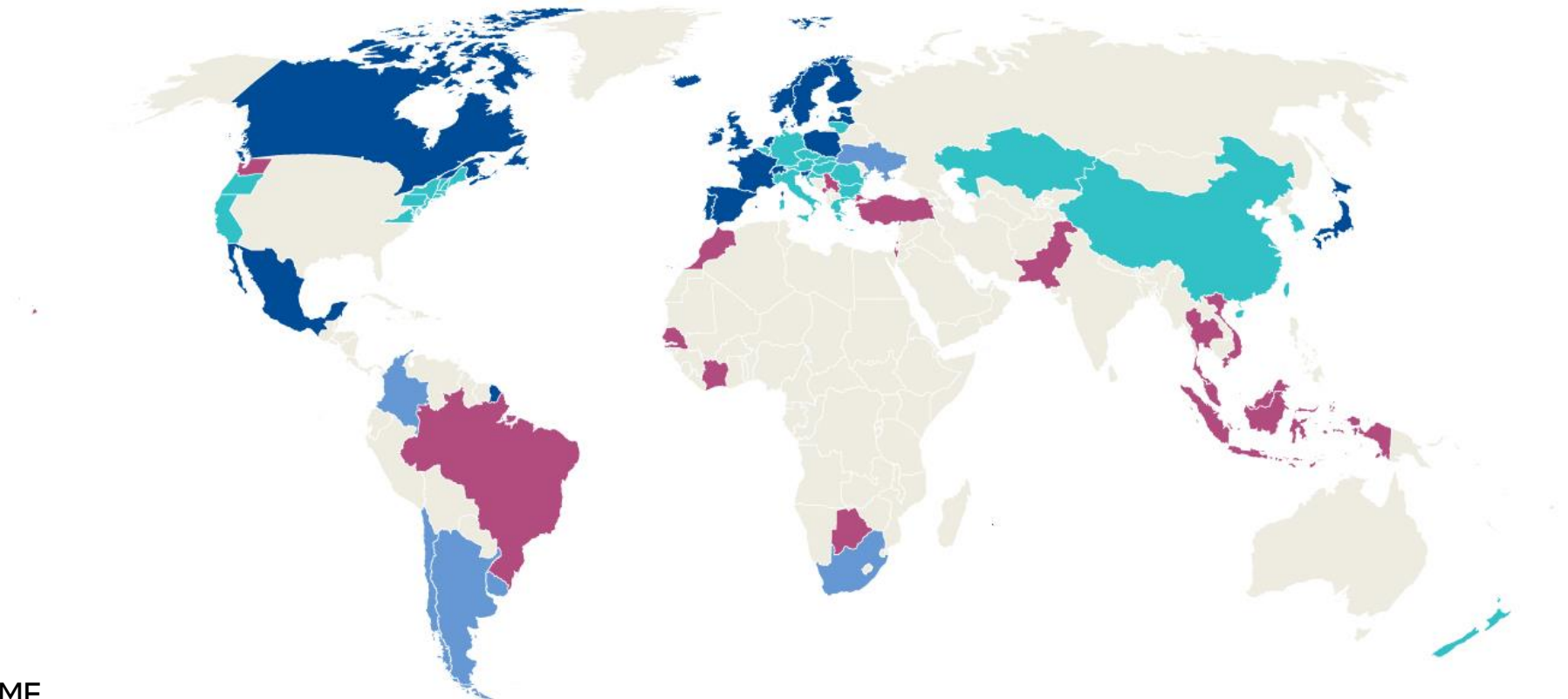


Source: IMF staff calculations.

Note: Figures from 2019 onwards use projections for fuel use. Explicit subsidies: undercharging for supply costs. Implicit subsidies: undercharging for environmental costs and forgone consumption taxes, after accounting for preexisting fuel taxes and carbon pricing.

Other barriers: green protectionism

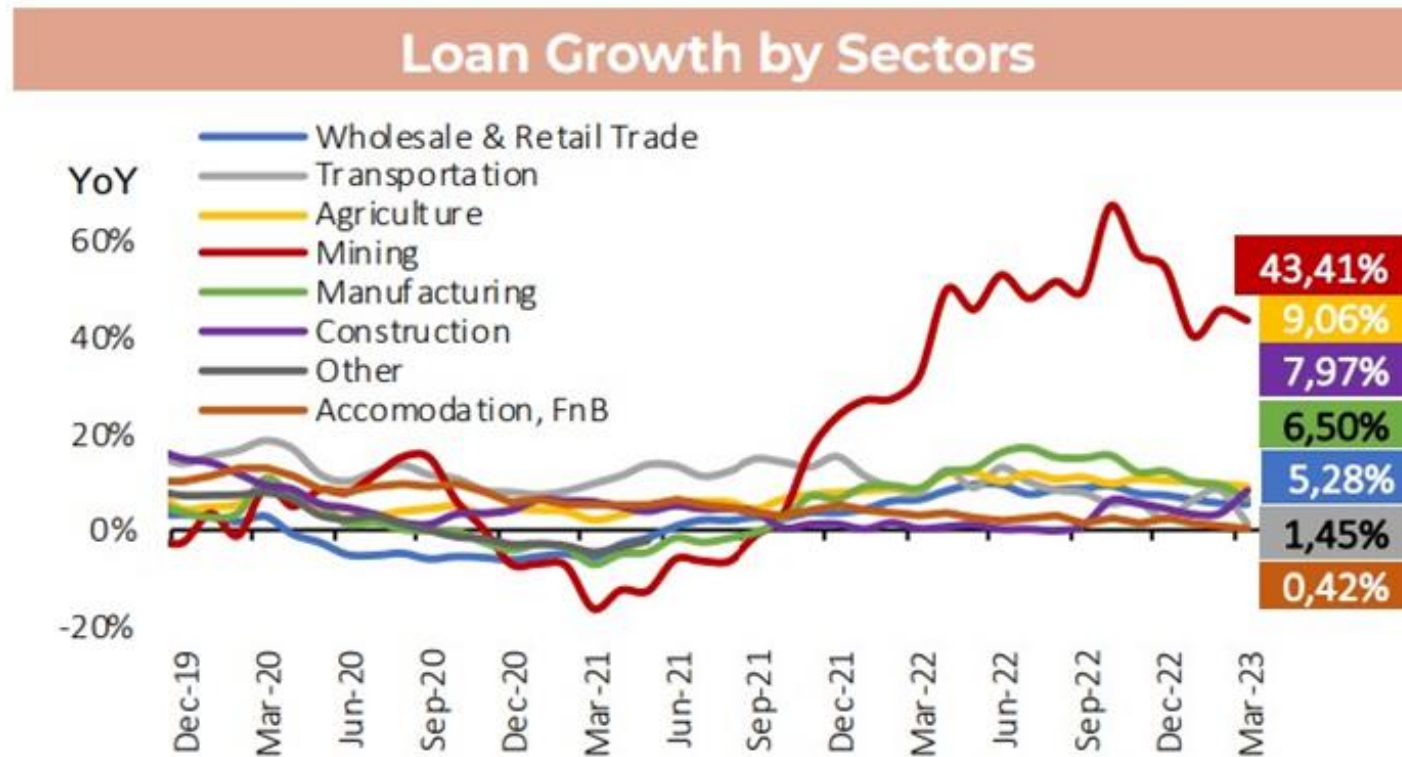
Carbon price choices are relevant in the discussion around green trade barriers



Source: WBG, IMF

Still more barriers: lifecycle emissions protectionism

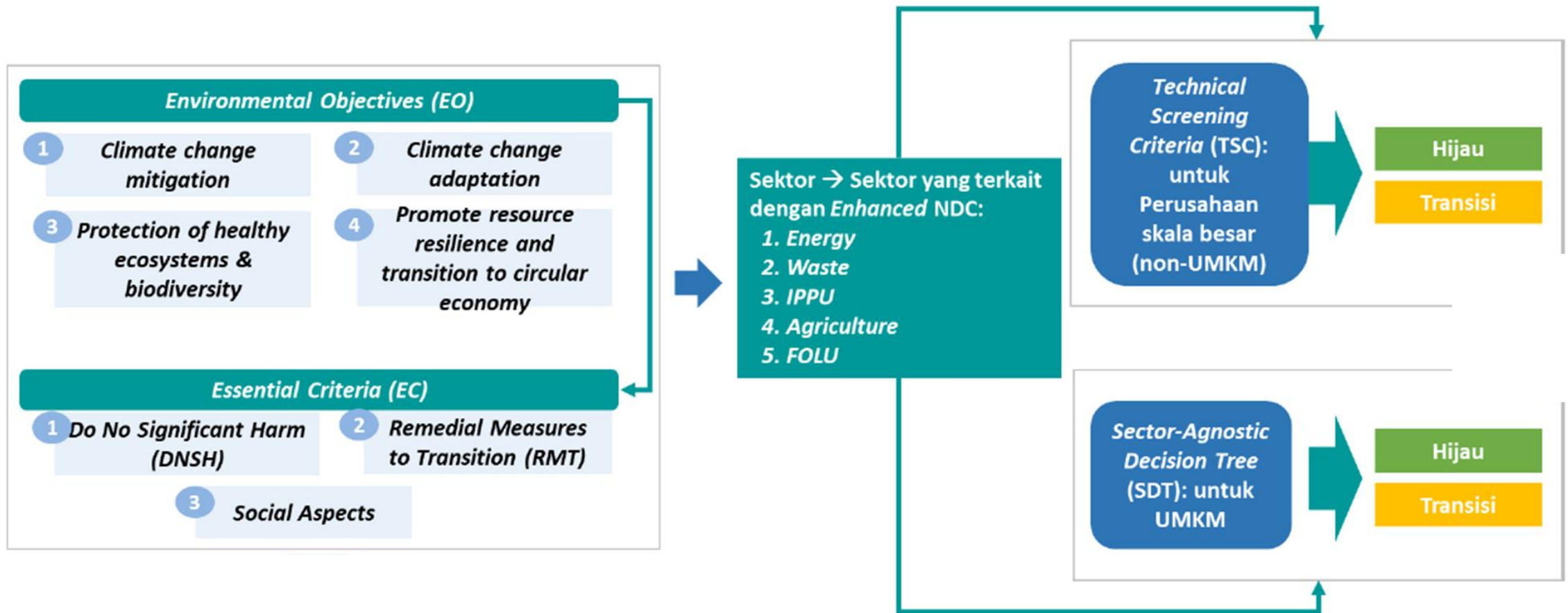
Indonesia's Banking Industry – Loan Growth by Sectors, (%)



Source: OJK, 2023

An emerging trend: Transition Finance

Taxonomies emerge to ensure credibility and interoperability, including to define transition activities



Source: DRAFT Sustainable Taxonomy Indonesia (OJK, 2023)

An emerging trend: Just Transition Finance

(Procedural Justice)

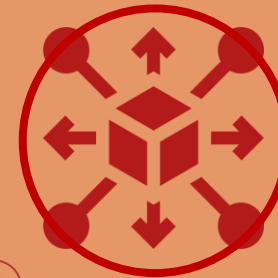
Costing the process that ensures inclusive participation of all stakeholders



2

(Distribution Justice)

Distribute profits and losses equitably



3

(Recognition Justice)

Acknowledge immediate and wider socio-economic impacts



1

(Restorative Justice)

Repair and mitigate harm, ensure creation of green jobs for all.



4

Contact –

CPI: climatepolicyinitiative.org

The Lab: climatefinancelab.org

USICEF: usicef.org

Global Landscape of Climate Finance:
climatefinancelandscape.org



@climatepolicy



@climatepolicyinitiative



CLIMATE
POLICY
INITIATIVE

Thank You