

INITIAL SESA SCOPING REPORT

EXECUTIVE SUMMARY

Strategic Environmental and Social Assessment (SESA) of the Energy Transition Mechanism (ETM) in Indonesia

Organized for:
Asian Development Bank

Organized by:
Ciera Group and PT Hatfield Indonesia

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EXECUTIVE SUMMARY

Introduction

Greenhouse gas emissions from coal-fired power plants (CFPPs) are one of the main contributors to climate change and are linked to a plethora of environmental and social issues, including air and water pollution and public health impacts. Most of these CFPPs are found in emerging and developing economies, including the Asia region, where climate change is already imposing significant environmental and socio-economic threats to local communities and biodiversity.

In Indonesia, coal and fossil fuels are primarily used to generate power that provides jobs and supports local economies. Aligned with the global climate change goals agreed at 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) in Egypt in November 2022, the Government of Indonesia (GoI) has committed to a target of 23% renewable energy by 2025 and announced a 31% cut to emissions by 2030. GoI, led by the Ministry of Finance (MOF), has established the Indonesia Energy Transition Mechanism (ETM) Country Platform to coordinate energy transition activities, to secure financing, to facilitate mobilization of capital, and to develop a framework in support of a just and affordable energy transition. The platform is country-owned, country-driven and country-managed. The International Energy Agency (IEA) has made clear that Indonesia has a viable path to reaching its target of net zero emissions by 2060, bringing major benefits to its citizens in the process such as more secure and affordable energy supplies. Key policy reforms and international support will be crucial to the success of the clean energy transition in the world's fourth most populous country as it enters a new phase of its economic development. The Asian Development Bank's (ADB) work on the energy transition, together with other development partners, will progress together with GoI in implementing Indonesia's ETM Country Platform.

On behalf of the Ministry of Finance, the Fiscal Policy Agency (Badan Kebijakan Fiskal, BKF) will be the government's implementing agency for a Strategic Environmental and Social Assessment (SESA) for the Indonesian ETM. BKF will be responsible for government outreach and coordination with civil society.

SESA and ETM

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Box E.1: Best Practice Considerations for the Indonesia SESA

- Establish clear assessment goals and outcomes;
- Be integrated with existing policy and planning structures;
- Be flexible, iterative and customized to context;
- Analyse potential risks and impacts of ETM, its alternatives (including the do-nothing option), and other policies, plans and programs against a framework of environmental and social quality objectives (ESQO) at the earliest stage possible;
- Identify environmental and socio-economic impacts (positive and negative; direct, indirect and cumulative; trans-boundary and other unintended consequences) and propose mitigation measures for negative potential impacts and to enhance environmental and social benefits;
- Identify environmental and socio-economic opportunities and constraints;
- Address the linkages and trade-offs between environmental, social and economic considerations (and their relationship with economic concerns and drivers);
- Provide explicit justification for the selection of any preferred alternatives and the acceptance of significant trade-offs (e.g., between different sectoral policy objectives);
- Involve key stakeholders and encourage public involvement from the earliest moment possible and engaging them throughout the entire SESA process;
- Be transparent throughout the process, and clearly communicate the results to SESA stakeholders and other interests;
- Propose a mechanism for effective implementation of SESA recommendations through a Strategic Environmental and Social Management Plan (SESMP) which will set out measures for monitoring and follow up of outputs using indicators of success that allow for a flexible and adaptive response to management, and
- Provide opportunities to build capacity of SESA participants throughout the SESA process.

Modified from Sadler dan Verheem, 1996; Dalal-Clayton dan Sadler, 2006 dan OECD DAC, 2006

Scope of SESA

In July 2022, the Indonesia SESA was launched to address the opportunities, risks, and impacts (positive and negative) associated with the following:

- Retirement of an identified set of existing coal-fired power plants (CFPPs) and associated infrastructure (including mine closure) at locations yet to be determined, and
- Development of identified options for new renewable energy generation and associated infrastructure, at locations also yet to be determined.

The Indonesia SESA is being conducted in two stages:

- Scoping Phase (July-November 2022) to: (a) undertake stakeholder analysis and initial mapping; (b) identify and verify key environmental and socio-economic issues, risks and opportunities; (c) undertake reviews of the legal, regulatory, institutional and governance frameworks concerned with managing environmental and socio-economic issues including relevant policies, programs and plans relevant to ETM; (d) prepare an environmental and socio-economic baseline profile; (e) identify gaps in the environmental and social baseline and legal/regulatory and institutional/governance frameworks; (f) conduct a scoping workshop with stakeholders in October 2022 to discuss these findings, and (g) prepare a preliminary scoping report summarizing these findings, and
- Assessment Phase (December 2022 – June 2023) that will finalize the preliminary scoping report and undertake the main assessment. It will prepare a set of environmental and social quality objectives (ESQOs) to address the key issues as a basis for subsequent assessment of ETM activities. It will identify and assess the environmental and social risks and impacts of retiring CFPPs, closing coal mines, and investing in new renewable energy options (covering hydropower, wind (onshore and marine), geothermal, solar, bioenergy and tidal) (actual options are yet to be determined). Impacts may be positive/negative, direct/indirect, cumulative, or transboundary. The SESA will do this by assessing several scenarios representing options for ETM implementation. The final SESA report will be accompanied by a Strategic Environmental and Social Management Plan (SESMP) setting out recommendations to manage environmental and social risks and impacts including proposed measures to enhance positive and prevent, minimize, or mitigate adverse impacts likely to arise during implementation of the ETM. It will also indicate the roles and responsibilities of SESMP implementing organisations. Phase 2 is expected to conclude in late August/early September 2023 with the preparation of a final SESA report and SESMP.

Initial Scoping Report

The Initial Scoping Report considers Indonesia's environmental, socio-economic, regulatory and institutional context and the challenges and opportunities for ETM implementation. Scoping provides the basis to identify the opportunities, risks, and impacts (positive and negative) associated with the retirement of CFPPs and associated infrastructure (including mine closures and supply chains), and the development of options for new renewable energy generation and associated infrastructure. A summary of this context follows.

Environmental Context

Indonesia is the world's largest archipelago state, comprising of more than 18,000 islands surrounded by the Indian and Pacific Oceans. It has a tropical climate, hot and humid weather, heavy monsoon seasons, and rainfall occurring mostly in low-lying areas and mountainous regions. This geographical complexity gives rise to a unique set of biodiversity assets, ecosystem services and socio-economic benefits such as food, water, fuel, construction materials; watershed protection, erosion prevention, carbon sequestration, pollination, and pest control; soil formation, and nutrient cycling; and spiritual/religious, tourism, recreation, aesthetic, and cultural benefits.

However, Indonesia's biodiversity hot spots and ecosystem services are under serious threat from a range of human and natural activities such as habitat loss and conversion, environmental pollution, forest fires, natural disasters, climate change and overexploitation of natural resources. Indonesia also faces significant challenges in air and water quality. A recent survey found Indonesia to be the 17th worst of 118 countries in terms of air quality¹ (US API).

Socio-Economic Context

Indonesia is home to over 1,300 distinct ethnic groups with the Javanese and Sundanese being the predominant. The most prevalent language group is Javanese, spoken by 42% of the population. Bahasa Indonesia is the official and national language. Today, Indonesia is the world's largest Islamic population with 86% of Indonesians declaring themselves to be Muslim and 9.9% Christian. While culturally rich and diverse, the people of Indonesia face a host of socio-economic challenges concerning limited access to quality health services, insufficient availability of clean and reliable drinking water, infant and child malnutrition, inadequate employment and degraded environmental quality impacting livelihoods.

The Gol has estimated that 10.1 million people are poor and not able to meet the Food Poverty Line (FPL) or the Non-food Poverty Line (NFPL) in 2021, even though the number of poor people in Indonesia has dropped significantly in the last 20 years.

The Indonesian economy is resource-based, relying mostly on the agriculture, forestry, fishing, mining, and manufacturing industries. Since the end of the Asian financial crisis in 1997, the economy has grown at a relatively steady rate of around 5% per year. In 2021, the Indonesian gross domestic product (GDP) reached IDR 16,970.8 trillion, or USD 1.17 trillion, and IDR 62.2 million or USD 4,349.5 of GDP per capita.

Total unemployment in Indonesia averages around 4% with a large gender gap in employment - with only 50-55% of women employed compared to 85% of men. The coal mining sector is estimated to employ about 240,000 workers (0.2% of the total workforce) (Bulmer et al., 2021).

Renewable energy generation in Indonesia is growing (including hydropower, geothermal, wind, solar photovoltaic (PV) and biofuels). While most types of renewable energy are still relatively new in Indonesia, data indicates that solar provides 2 jobs/MW while onshore wind provides 5 jobs/MW. If all renewables provided an average of 3.5 jobs/MW, then with an existing installed capacity of renewable energy of 7.85 GW, it can be estimated that about 27,500 jobs have already been created in renewable energy power projects.

¹ <https://www.iqair.com/world-most-polluted-countries>

Indonesia's electricity comes primarily from coal and natural gas, and CFPPs still dominate the energy generation sector and occur in nearly every province in the country with the majority located in Java and Sumatra. Indonesian coal resources and reserves are of low and medium quality and account for about 2.2% of global supply. Most coal mines are in East Kalimantan and Southern Sumatra Island. The plan to retire CFPPs in Indonesia will not only have economic impacts, but social, political, and environmental impacts as well. This will be a focus of the SESA and Just Transition efforts.

Key environmental and socio-economic opportunities and risks of ETM are discussed in Box E.2

Box E.2: Environmental and Socio-economic Opportunities and Risks of ETM in Indonesia

Environmental Opportunities

Many of the opportunities and benefits of ETM relate to the restoration of environmental quality associated with the retirement of CFPPs, including remediation of contaminated soil, surface water and groundwater; removal of waste, including hazardous waste; restoration of landscapes and land use; restoration of terrestrial and aquatic biodiversity values and ecosystem services; and improvements to public health.

In addition, opportunities to replace renewable energy sources include clean, no, or low carbon energy generation with no or few greenhouse gas emissions (depending on renewable energy source), and the potential for rational planning of new energy projects on a regional basis, rather than a project-by-project basis.

Socio-Economic Opportunities

Similarly, there are several social opportunities associated with CFPP retirement and coal mine closure, including compensation for legacy contamination, land reclamation, and restoration; job opportunities in site remediation and land reclamation; opportunities for retraining and skill development; and potential in renewable energy development. There will also be economic diversification opportunities for renewable energy project construction and operation, business opportunities for small-scale renewable energy development with microfinance services, and opportunities for women and Indigenous ownership of renewable energy projects.

Environmental Risks

While CFPP retirement will eliminate greenhouse gas emissions from those plants, there remains a risk that the coal formerly supplied to them may be exported and burned elsewhere, resulting in no net reduction in emissions. Other risks include ongoing greenhouse gas emissions from CFPPs, coal mines, and some renewable energy; land and water (surface and groundwater) contamination by toxic substances and other materials; noise and disruption to communities; damage to ecosystems and loss of terrestrial and aquatic biodiversity; impacts to important ecosystem services; impaired community access to land and water resources; accumulation of waste; land use change; land degradation; visual, landscape, and cultural heritage impacts; and health, occupational, and community safety and security risks.

Socio-Economic Risks

Legacy issues from CFPP and coal mine development; adverse effects on regional and local economies and livelihoods; loss of jobs from CFPP retirement and mine closure; outmigration; disadvantages for women and vulnerable groups (e.g., Indigenous communities); decline in local public services; displacement of people; and weakened community cohesion.

Key Laws and Regulations

The transition away from coal in Indonesia as the main source of energy/power and its replacement by renewable energy will require changes to the legal and regulatory framework and will be critical to the success of ETM.

Currently, the Job Creation Act of 2020 is the overarching regulatory instrument for environmental protection and management and social issues. However, its enactment has effectively suspended updates to key implementing regulations that the Act was attempting to streamline, including key environmental regulations. Government Regulation (GR) No. 22/2021 acts as the implementing regulation for environmental management and protection and revokes the previous Government Decrees (implementing regulations of Act 32/2009). It provides updated requirements for: environmental approvals, protection and management of water quality, protection and management of air quality, protection and management of sea quality, and the management of hazardous and non-hazardous waste.

Regarding social issues, the progress of establishing laws and regulations addressing key issues has been slower than it has for the environmental framework. The Job Creation Act now requires the management of social risks and impacts, although the scope and depth of coverage do meet international standards.

Key issues arising from ETM implementation have been identified as follows: environmental protection and management, environmental assessments and permitting, pollution management and waste management, reduction of greenhouse gases (GHGs) and CO₂, energy transition development, coal fired power plants operation and retirement, renewable energy development, coal mining operation, coal mining closure, site rehabilitation and remediation, social regulatory requirements, infrastructure, transportation, gender (including violence against women and children), and employment (including child labor), among others.

The Indonesia SESA must be undertaken in the context of the country's Strategic Environmental Assessment (SEA) Law and Environmental Impact Assessment Permitting laws and regulations. SEA was voluntary at first in Indonesia, but later was made mandatory by the Environmental Law of 2009. SEA requirements are provided in GR No. 46/2016 on Guidelines for Strategic Environmental Assessment. Under this regulation, an SEA must be undertaken in the development or evaluation of regional spatial plans (RTRW), long-term development plans (RPJP), national, provincial and district/city medium-term plans (RPJM), and any policies, plans and/or programs that could potentially cause impacts and/or environmental risks. While EIA/AMDAL requirements relate to individual projects/activities, the SEA aims to address/prevent the development of government policies that are not aligned to the concept of sustainable development. According to the Environmental Act 2009, an AMDAL is required for every business and/or activity having substantial impact on the environment (Article 22), considering a number of criteria: (i) the quantity of population to be affected; (ii) the size of the area of impact; (iii) the intensity and duration of impact; (iv) environmental components likely to be affected; (v) cumulative characteristics of the potential impact; (vi) whether impacts subside or not; and/or (vii) other criteria in accordance with developments in science and technology. Despite these requirements, SEA in Indonesia is not widely nor effectively applied.

Key Institutions

The Indonesia SESA will require partnerships and participation with a variety of institutions and stakeholders for proper ETM planning and implementation. In Indonesia, environmental, social, and economic goods and services are primarily provided through public government institutions, with some involvement by private organizations and NGOs. Institutions in the public sector play the most dominant role in environmental and social policy formulation, national and regional developmental and spatial planning, and implementation in certain sectors.

The key ministries likely to be involved in environmental and social management measures associated with implementing the ETM include: the Ministry of Finance, the Ministry of National Development Planning, the Ministry of Energy and Mineral Resources, the Ministry of Environment and Forestry, the Ministry of Industry, the Ministry of State-Owned Enterprises, the Ministry of Marine Affairs and Fisheries, the Ministry of Manpower, the Ministry of Health, the Ministry of Social Affairs, and the Ministry of Education, Culture, Research, and Technology. BKF will be the implementing agency for the Indonesia SESA on behalf of the Ministry of Finance

In relation to energy development in Indonesia, The National Energy Council prepares the National Energy Policy issued by Gol. Perusahaan Listrik Negara (PLN) is the sole buyer, transmitter, and distributor of electricity. Its planning and operations are overseen by the Ministry of Energy and Mineral Resources, the Ministry of State-Owned Enterprises, and the Ministry of Finance. PT Sarana Multi Infrastruktur (PT SMI) is an infrastructure company that works in tandem with the Minister of Finance to facilitate infrastructure financing, prepare projects, and serve as an advisor for regulation of infrastructure projects in Indonesia. It has a duty to support the Gol's infrastructure development agenda through partnerships and/or multilateral finance institutions in Public-Private Partnership (PPP) projects.

Private sector organizations and NGOs, including international organizations, are required to comply with the national rules and regulations. Indonesia has several national NGOs including the Indonesian Forum for Living Environment, Indigenous Peoples' Alliance of Nusantara, and Yayasan Konservasi Alam Nusantara. The Indonesian Workers Association and the Indonesian Employers and Industry Associations will play a major role in the workforce development and transition from the decommissioning of CFPPs and coal mines. There are a wide range of community support organizations and other NGOs that directly support communities on issues related to human rights and environmental and social protection, such as the Mining Advocacy Network (JATAM).

International institutions will also play an important role in Indonesia given their global interest in ETM. Primary interest and involvement will include financial support, mostly from the MDBs, but also from bilateral financial aid and philanthropic organizations. Some of these organizations include the World Bank Group, KfW Development Bank, JICA, USAID, TNC, and the UN.

Key Policies, Plans, and Programs Affecting ETM in Indonesia

There are 41 policies, programs, and plans (PPPs) that are relevant to the implementation of the ETM in Indonesia have been screened. They cover a range of sectors and key issue areas related to energy management and development in the country. The PPPs have ambitious goals to move the country forward to a sustainable energy future. For example, the National Energy Policy (KEN) aims to promote new energy and renewable energy growth to at least 23% of Indonesia's energy mix in 2025 and to be at least 31% in 2050. Its partner plan, the National Energy General Plan (RUEN), will provide direction for KEN. RUEN aims for an ambitious renewable energy target of a 23% contribution to Indonesia's

energy mix by 2025. Other plans related to energy include the Electricity Business Plan and the Acceleration of Renewable Energy Development for Electricity Supply.

The uptake of renewable energy in Indonesia requires paving the way for decommissioning CFPPs and coal mines - initially reducing, and eventually removing, the use of coal for power generation. The MEMR has developed the Roadmap for Development and Utilization of Coal (Road Map Pengembangan dan Pemanfaatan Batubara) for the period 2021-2045. The Roadmap identifies the main pressure to reduce coal use as the considerable amount of international attention to the issue of global warming and international agreements to minimize global temperature under the Paris Agreement, including those committed to by Indonesia. The Roadmap acknowledges that a shift in the coal market is taking place, with pressure to reduce the use of coal in energy generation. It also notes that, domestically, up to 85% of coal is used in energy generation, and that the number of CFPPs and amount of coal needed to power them will continue to increase through 2050. However, the total proportion of energy generated by coal will decrease (from 57% in 2018 to 41% in 2050). The projected maximum amount of coal demand for general electricity generation over this time is estimated at 131 million tons for generation of 40.97 GW of power, through 138 PLTU power plants.

Stakeholder Involvement

The Indonesia SESA provides an opportunity for interested stakeholders (governmental, civil society (e.g., NGOs, communities, marginalized peoples, and others, and the private sector) to present their perspectives and concerns about ETM, to identify and validate critical environmental and socio-economic issues, and to comment on draft SESA documents. Stakeholder engagement is to be organized through a variety of means (e.g., workshops, focus groups, meetings, and key informant interviews) at national and regional levels and with local community/impacted stakeholders, as possible.

Three stakeholder consultation sessions (August and October 2022 and January 2023) were held as part of scoping. Key environmental and socio-economic issues raised by stakeholders in these sessions are summarized in Boxes E.3 and E.4.

Additional workshops will be conducted as part of the SESA assessment as follows:

- Workshop 4 (national) will discuss the ESQOs, scenarios, and assessment findings in late May/early June 2023;
- Regional workshops are in the planning phase and interaction is taking place between BKF and ADB, PLN, and the consulting company (these are potentially planned for April 2023 for the initial feedback step and, the follow-up, more detailed data gathering, and stakeholder feedback in May 2023), and
- Workshop 5 (national) will discuss the draft Indonesia SESA report in August/September 2023.

BKF has confirmed that it will host information pertaining to this Indonesia SESA on its website. The website is used to inform both internal and external stakeholders about the SESA and its progress, provide open access to SESA reports and related documents, and serve as a means of communication and a platform for anyone to submit comments. This website will be available on January 2023.

Box E.3: Environmental Issues of ETM Raised by Stakeholders

Note that the language below is verbatim from the stakeholder consultations

Issue	Stakeholder Comments	Response
Greenhouse Gases	The SESA will have to establish a baseline for current GHG emissions by compiling current qualitative and quantitative emissions data. Recommendations for improving Indonesia's GHG monitoring and measurement capacity going forward should come out from the SESA.	The SESA will not be conducting a GHG analysis. The SESA will guide how potential risks, impacts and opportunities will be assessed as the government embarks on ETM.
	The SESA will have to consider GHG emissions reductions for each CFPP and coal mine decommissioning and repurposing/rehabilitation scenario as well as each of the proposed renewable energy scenarios.	This will be considered at a broad strategy level and not at the project level. These considerations will be made in any EIA completed as part of facility decommissioning.
	The SESA will have to adopt a broad, cumulative, supply-chain and lifecycle approach to its analysis of coal mine decommissioning and repurposing/rehabilitation scenarios.	This will be done in the scenario approach.
	The SESA must account for potential supply chain synergies, and areas of integration, for example, captive renewable powerplants for battery manufacturing plants (energy storage).	This is an important consideration in the assessment.
	The SESA will also have to consider proposed renewable energy scenarios, accounting for emissions from all primary and secondary activities at each stage.	Noted. This will be done in the scenario approach.
Land and Water Use	Land use change, land degradation, water use, and biodiversity cannot be treated separately. The SESA will have to adopt a broad scope for how it assesses these issues in terms of both surface and subsurface land remediation/reclamation and repurposing as well as the potential renewable alternatives considered in each SESA scenario.	The SESA will take a high-level strategic approach looking at how key environmental and social quality objectives can be obtained or not realized. Recognizing the complexity of interrelated issues will be important.
	The SESA will have to make an assessment on any additional changes to land use, water use and biodiversity resulting from site repurposing as well as any additional impacts should renewable alternatives have to be constructed at new sites.	The SESA will address this issue at a high level but project level EIA will be used to assess site specific impacts.
Waste Management	The SESA will have to account for Indonesia's limited waste management capacity as well as other waste management considerations. The SESA will have to make recommendations for improving Indonesia's capacity as it pertains to the decommissioning and rehabilitation and repurposing of CFPPs, and coal mines as well as the lifecycles of renewable alternatives.	This will be examined as part of the review of the legal framework and consideration of waste management impacts of CFPP retirement and replacement by RE projects.
Health, Safety and Security	There are substantial health and safety considerations the SESA must account for related to air pollutants. To protect workers, the SESA must put forth recommendations mitigating such health and safety impacts.	This will be examined in terms of relevant health and safety regulations.

Issue	Stakeholders Comments	Response
Regulatory, Policy and Structural Gaps	Regulatory, policy and structural gaps are a priority issue because government ministries lack alignment and standardization between ministries pertaining to land and water use, hazardous waste management, GHG emissions, project lifecycle assessments and health and safety. The SESA will need to examine these gaps and propose pathways for addressing these issues.	Institutional capacity and coordination will be assessed as part of the SESA.
	There needs to be the requisite mechanisms in place to monetize and finance the energy transition such as a carbon trading system.	This is an important financial issue but is not considered as part of the SESA scope.
	The SESA must account for opportunities and benefits associated with not exploiting Indonesia's coal resources equally to other key considerations like the status of current coal operations and contracts that have already been finalized.	Aspect of this will be considered as part of the "do nothing" scenario.

Box E.4: Socio-Economic Issues of ETM Raised by Stakeholders

Note that the language below is verbatim from the stakeholder consultations

Issue	Stakeholders Comments	Response
Livelihood Displacement and Retraining	The SESA must assess the disparate impacts on different demographic and socioeconomic groups within the impacted communities when assessing livelihood displacement patterns and retraining options.	Noted. This will be considered during assessment of livelihood displacement impacts
	The SESA must also examine the impacts of displacement for local workers by foreign workers at all stages of the ETM.	This will be considered at a broad strategy level.
	The SESA must assess the long-term feasibility of jobs within the renewables sector and create a framework by which the Indonesian government, regional governments, educational institutions, and private companies can collaborate in facilitating the process of transitioning workers. These can include educational guarantees to former CFPP workers and their families.	This will be done in the scenario approach
	The SESA must provide a framework by which the Indonesian government and regional government can deliver assistance to communities impacted by the CFPPs during the transition (e.g., social security, post-closure health insurance, etc.	This is not within the SESA scope. The SESA will guide how potential risks, impacts and opportunities will be assessed as the government embarks on its energy transition. The SESA can provide a template for possible action plans to mitigate impacts including consolidating and mapping existing government mechanisms and programmes such as social security, insurance, and work cards.
	Livelihood displacement requires effective grievance redress and compensation mechanisms.	This is a key issue of the SESA and also part of the Just Transition

Masalah	Komentar Pemangku Kepentingan	Tanggapan
Regional Social and Economic Conditions	The SESA should assess indirect impacts including formal and informal economies.	This is an important consideration and will be addressed.
	There must be a framework in place so national and regional governments can collaborate to ensure sustainable labor absorption into areas.	This will be done as part of institutional assessment.
	Outmigration and the closure of coal mines and CFPPs has the potential to reduce revenues for regional governments. A framework must be in place to ensure adequate infrastructure is maintained in impacted areas. Should there be new investment in communities, there should be community impact and benefits agreements.	This will be considered at a broad strategy level. Project level employment impacts will be dealt with through the EIA process.
	A loss of livelihood has the potential to increase intracommunity and inter-community social tensions, which may manifest into increased crime rates. Provisions for addressing such impacts must be considered in the SESA.	This is an important consideration and will be addressed.
	Migration and the displacement of supply chains could impact affordability in particular regions. The SESA should account for this.	Supply chain impacts will be assessed in the SESA
Gender	There needs to be significant policy change on the part of the Indonesian government and private companies to address sexual harassment in the workplace.	This is an important consideration and will be addressed.
	The SESA must contain recommendations for increased female labor participation as well as considerations for diversity and inclusion.	This is an important consideration and will be addressed.
Meaningful Consultation and Dialogue	Ongoing meaningful public participation throughout the ETM process is key to mitigating adverse impacts and leveraging key opportunities. A strong social dialogue is a human rights cornerstone that the SESA must create a framework for.	Additional consultation events are planned throughout the SESA process.

Key Points Arising from the Scoping Study

The scoping phase has identified a range of key environmental and socio-economic issues likely to influence or be affected by implementing the ETM, as well as challenges and opportunities related to these. It has also generated important information regarding the legal, regulatory, and planning framework in Indonesia.

This information will provide a basis for the assessment phase of the SESA to identify environmental and socio-economic quality objectives to address the key identified environmental and socio-economic issues, and will provide a platform for reviewing relevant laws, regulations, policies, programs, and plans (PPPs) to identify where changes may be required to address, conflicts and inconsistencies.

Indonesia poses a challenging case for a just and equitable transition to renewable energy development. A balance needs to be found between protecting the wide range of distinct cultural and natural landscapes that extend across thousands of islands against pressing government priorities for building human capacity, improving urbanization, fostering modernization, and driving economic growth. Balancing environmental and social protection while accelerating clean energy development will be critical to the success of ETM. The impacts from the decommissioning of CFPPs and coal mines will be felt not only at the community level but equally at regional, national, and international levels as Indonesia steps away from coal as its main source of energy and export. The Indonesia SESA is the first step in that direction to examine “high level” strategic environmental and socio-economic considerations of ETM implementation in the country. It will require strong and inclusive participation across Indonesia’s institutions, stakeholders (at all levels) and the international community to discuss and collectively analyze how the energy transition can be made just, equitable and sustainable over its duration and beneficial for the country.