



**MINISTER OF NATIONAL DEVELOPMENT PLANNING/
HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY**

SPEECH

**MINISTER OF NATIONAL DEVELOPMENT PLANNING/
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AT

**2ND WORLD PARLIAMENTARY FORUM –
PARTNERSHIP TOWARD SUSTAINABLE ENERGY FOR ALL
“QUALITY EDUCATION, JOB CREATION, AND FINANCING
RENEWABLE ENERGY”**

BALI, SEPTEMBER 12TH, 2018

Ladies and Gentlemen,

Good afternoon,

***H.E. Speaker of the House of Representatives of the
Republic of Indonesia, Mr. Bambang Soesatyo,***

Distinguished guest,

First of all, I would like to express my appreciation to be invited as one of the speakers for the second time in this

important event of the World Parliamentary Forum since last year. The theme of this year event on “**Partnership Toward Sustainable Energy for All**” is in accordance with Indonesia’s commitment to implement Sustainable Development Goals (SDGs) and our national agenda. In this opportunity, I would like to convey on specific issues of “**Quality Education, Job Creation and Financing Renewable Energy**”.

Distinguished Ladies and Gentlemen,

We recognize that the SDGs is an ambitious commitment, with its 17 goals, 169 targets and 241 indicators. Globally, the SDGs is everyone’s commitment. SDGs invites everyone to participate in order to achieve the global end goal toward **ending poverty, protect the planet and ensure that all people enjoy peace and prosperity**. Nationally, Indonesia is already committed to implement the SDGs in the national and sub-national level, and whenever possible, the community level. To ensure its smooth implementation, **the decentralized provinces in this case acts for the central government** to continue the central government’s effort in implementing the SDGs. Therefore, a **partnership** from all stakeholders at global, national, sub-national as well as community level should be strengthened.

We all understand that SDGs is a multi-dimension development agenda. It is a global steps to systematically

achieve mutual understanding among countries and involving multi-stakeholders partnership to achieve our common goals together. The agenda intends to make our precious life more dignify for all; greater prosperity in an inclusive manner within the capacity of the earth's life support system; and leave something behind for our children a meaningful resources by increasing natural, social and economic capital to achieve greater resilience and secure future generations' livelihoods.

Distinguished Ladies and Gentlemen,

The declaration of SDGs at global level in September 2015 has become the framework for all of us to work together toward more sustainable life by 2030. Indonesia highly committed to implement SDGs to improve our social, economic as well as environment dimensions with strong institution and good governance. For Indonesia, the SDGs is used as a framework to improve prosperity and reduce inequality, with some relevant targets and indicators of SDGs on these specific issues. Even though, Indonesia has reached quite significant achievement on reducing inequality, yet the SDGs will give us guidance to be more concrete and systematic. The reduction of inequality in Indonesia is reflected by the decreasing of gini coefficient from 0.410 in

2012 to 0.389 in 2018. Indonesia has also reached reduction on poverty rate, from 11.25 in 2014 to 9.82 in 2018. The Human Development Index has also increased to 70.81 in 2017 from 70.18 in 2016. The unemployment rate decreased to 5.13 percent in 2018 from 5.70 percent in 2014.

In addition, the economic growth among regions in Indonesia has gradually increased as well. The regional economic growth has moved by more focusing to eastern part of Indonesia. The Sulawesi Island as one of the farthest eastern part of Indonesia's archipelago has grown to 7 percent above the national growth at 5.1% in 2017.

In the effort for reducing inequality, Indonesia has paid more attention and planning on the infrastructure and connectivity development. In the infrastructure development, for the last three years we have massively improved our infrastructure development all around our country. Improving our connectivity to reduce inequality has become one of the priorities of our national development. The government has also developed new airport, open new route for sea toll, increasing the length of our toll road, as well as building new railway. The focus on this particular development sectors is mainly implemented at the isolated, outermost and boarder

area of Indonesia. Therefore, the Indonesia's infrastructure competitive index has increased from number 61 in 2013 to 52 in 2017 according to Global Competitiveness Index 2017-2018.

The shifting paradigm in development brought by the SDGs is changing government's approach in developing policy. The achievement of development agenda requires strong cooperation among multi-stakeholders, not only state actors and parliamentarian but involving the non-state actors from civil society organizations, philanthropy and business, and academia well as. Each actor is undertaking specific role to participate for achieving SDGs. In addition, our National Development Agenda is being more participative by involving many stakeholders both at the national and sub-national level, coming from state and non-state actors, in line with the "*No one left behind*" principle.

Distinguished Ladies and Gentlemen,

With regard to Goal 7 on Affordable and Clean Energy, access to electricity as one of the most basic needs in 2017, almost all of Indonesian citizens or about 97% total of households have accessed to electricity. In 2020, we have targeted that all Indonesians will be able to enjoy access to

electricity. Despite the fact that almost everyone in Indonesia can access electricity, our current challenge is the affordability, reliability and sources of energy.

The demand for electricity will continue to grow alongside population and economic growth, and the increasing of middle and upper class has consequences to consume more electricity. Currently, Indonesia consumes more than 1,000 kilo watt hour (kWh) per capita and it is projected that in 2025 the consumption will be as much as 2,500 kWh per capita. This increase means we can no longer depend on our limited fossil fuel as the main source of power for electricity and start shifting to a more renewable or green energy.

Distinguished Ladies and Gentlemen,

In developing green energy, we have mapped Indonesia's potential in producing renewable energy as much as 441.7 Giga Watt (GW) from hydro, solar, wind, bioenergy, geothermal and ocean. Currently, we are only using 2 percent of this huge potential, therefore, I believe we need to encourage more on the use of renewable energy. We have also mapped out renewable energy projects and the resources needed throughout the country, and we can see that we have the resources to produce renewable energy.

Therefore, from our huge potential in producing renewable energy, we have formulated strategies in developing renewable energy in our 2015-2019 National Medium-Term Development Plan: (1) Implementing the price and incentive policy to encourage investment on renewable energy; (2) Increasing utilization of renewable energy for power generation; and (3) Increasing the utilization of biofuel for transportation through fuel-blending biodiesel and bioethanol.

Indonesia has also formulated the National Energy Policy, which focuses on increasing the energy mix, especially new and renewable energy. Indonesia is currently in the process of balancing energy mix with increasing renewable energy from 7% in 2015, to 23% in 2025 and 31% in 2050. We are also reducing fossil fuel subsidy, and the budget shifted to direct subsidy for the poor and financing clean and renewable energy.

In the 2018-2027 Electricity Supply Business Plan, Indonesia's potential in renewable energy will be maximized. We plan to build power plants that relies on the use of new and renewable natural resources such as solar and wind, in the various locations. The development of new and

renewable power plants will contribute to the increase of new and renewable energy in Indonesia's energy mix. In 2025 it is projected that these power plants can produce as much as 45 GW of energy. We will continue to build more power plants, and in 2050 we expect to produce 169 GW of energy from these new and renewable power plants.

Distinguished Ladies and Gentlemen,

The question that need to be ask is “why should we start shifting to new and renewable energy?” One of the answers is that renewable energy beside it reduces the exploitation of fossil fuel, it reduces pollution as well. Besides, it also has the capacity to employ as much as 7.7 million people worldwide. According to the International Renewable Energy Agency, Indonesia has employed 223,000 people in renewable energy sector in 2014, the third largest of renewable energy employs in Asia. In 2025 it is projected that renewable energy could create employment at least to 100,000 workers.

To ensure that we can employ even more people in renewable energy, we need to formulate strategies to match people in answering the demands of the renewable energy jobs. Higher education has an important role in producing graduates to respond this demand. I can share with you that

Renewable Energy has become education program in some universities, such as Bandung Institute of Technology (ITB), Udayana University, Surya University, Prasetya Mulya University, Darma Persada University, Islamic State University (UIN) Riau, and many more. Research centers on renewable energy also have flourished in many universities, such as in Bandung Institute of Technology (ITB), University of Indonesia (UI), Gadjah Mada University (UGM), Udayana University, Indonesia Islamic University (UII), and many more. Education and research focus on solar, geothermal and bioenergy, as well as nanostructured material, energy storage and thermo-conversion, just to name a few.

Currently the government is developing Public-Private Partnership scheme, of which 19 infrastructure projects are funded with the scheme, and 3 (three) of these projects are focused on the energy sector such as electricity, new and renewable energy and energy conservation. Beside the PPP scheme, we have also developed the scheme of Blended Finance. Blended Finance is the strategic finance scheme of development for mobilization of additional finance towards sustainable development in developing countries. With this scheme, public, private and commercial funds can contribute to finance projects for achieving SDGs targets.

Distinguished Ladies and Gentlemen,

The achievement of education, energy, industry as well as innovation sectors to obtain higher economic growth and people prosperity needs support and contribution from multi-stakeholders. As Global Organization of Parliamentarians Against Corruption (GOPAC) mentions that parliamentarians have an opportunity, and a constitutional responsibility, to play a significant role in supporting and monitoring SDGs implementation. The Agenda 2030 Declaration acknowledges the **“essential role of national parliaments through their enactment of legislation and adoption of budgets, and their role in ensuring accountability for the effective implementation of our commitments.”** Members of parliament are uniquely positioned to act as an interface between the people and state institutions, and to promote and adopt people-centered policies and legislation to ensure that no one is left behind.

The parliament has main role on policy and regulation, budget allocation and oversight, as well as monitoring the implementation. Many SDGs targets require law reform to enable SDGs' target achievement. The parliament is also mandated to ensure, throughout national budget cycle that

the government spends money lawfully and appropriately. It is critical issue for parliament to ensure that SDGs is funded and financing is targeted accordingly. Parliament also plays a critical role as one of the most powerful domestic accountability mechanism in the country.

Distinguished Ladies and Gentlemen,

Finally, I would like to thank the House of Representatives of the Republic of Indonesia for taking serious action on SDGs implementation and monitoring, and providing continuous support to the government to ensure the achievement of SDGs targets both at national and sub-national levels. Let us continue our work together in achieving all of the SDGs' targets.

Thank you.

Bali, September 12th, 2018

Minister of National Development Planning/
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Bambang P.S. Brodjonegoro