

POLICY BRIEF

Beyond the Ballot

Strengthening Indonesia–EU Alliances with Civil Society Voices

In the 2024 super-election year, 76 countries, or about 51% of the Earth’s population, faced elections for different levels of government.¹ The EU elected a new European Parliament in June 2024 with the New Commission currently being set up. Indonesia’s new president assumed office in October after an election in February 2024. These elections can provide new impetus for EU–Indonesia co-operation and partnerships, learning from current co-operation approaches.

This policy brief provides an overview of the current state of the relations between Indonesia and the EU with regard to climate and offers recommendations for the EU on how to create more trustworthy partnerships that create benefits for both partners.

In Asia, several larger emerging economies have been longstanding partners of Germany and the EU on various topics, including climate. Indonesia is the largest economy in Southeast Asia, one of the main exporters of coal and palm oil, and has one of the world’s largest reserves of nickel, among other important energy transition minerals. Indonesia’s energy system is dominated by fossil fuels, with about 30 coal power plants still in the pipeline for the power sector and multiple sectors that are still reliant on oil and gas. On the other hand, Indonesia also recognises the importance of climate mitigation and adaptation, as it is already impacted by climate change as an archipelagic country.²

1 Climate Change Ambition, Elections, and Relations of Indonesia and the EU

Indonesian elections are among the largest democratic direct elections in the world and were the largest single-day elections on 14 February 2024. It was the fifth democratic election after President Suharto’s 32-year regime, with more than 200 million voters and a more than 80% voter turnout.³ The elections were seen as important for the direction of the nation, as more than half of the voters are young – between 17 and 40 years old.

In Europe, the majority of people voted for parties that belong to the European People’s Party (EPP) group in the parliament,⁴ with right-wing parties gaining ground compared to the previous elections in 2019. Despite the results, the team of European Commissioners, led by re-elected Commission President Ursula von der Leyen, has a strong climate portfolio. The EU’s new central initiative will be the Clean Industrial Deal, and competitiveness and the transition towards net zero are now bundled in the portfolio of one Commissioner. This shows that the EU considers the green transition as a key driver for its competitiveness. Moreover, the EU plans a new economic

¹ Colomina, C., (2023), The World in 2024 (URL: www.cidob.org/en/publications/world-2024-ten-issues-will-shape-international-agenda, accessed: 27 October 2024).

² Climate Action Tracker, (2023), Policies & Action: Indonesia (URL: www.climateactiontracker.org/countries/indonesia/policies-action/, accessed: 23 September 2024).

³ Hollstein, T., (2024), Five Things You Need to Know about Indonesia’s 2024 Elections (URL: www.wfd.org/commentary/five-things-you-need-know-about-indonesias-2024-elections, accessed: 25 September 2024).

⁴ European People’s Party, or EPP Party, is a European political party, that includes family of the political centre-right in Europe, such as Christian Democratic Union (CDU) of Germany and Spain’s People’s Party (PP).

foreign policy, where partnerships will be a key pillar. Clean Trade and Investment Partnerships (CTIPs) are a new type of partnership that will join the toolbox of the EU next to the Global Gateway and other partnership approaches – such as Green Alliances and Partnerships as well as **Strategic Partnerships on Raw Materials**.

The aim of CTIPs will be to secure the supply of raw materials, clean energy, and clean technology from around the world. The benefits for the partner countries are still to be announced. Adding more partnerships to the EU creates additional challenges in co-ordinating its external action efforts. The EU also needs clear and strategic overarching goals for co-operation that are aligned with global climate goals and the industrial and development goals of the EU and its partner countries.

The current geopolitical landscape is significantly influencing both Indonesia and the EU, notably in areas such as energy imports from Russia and evolving industrial and climate policies in the US and China.⁵ This year's elections in Indonesia were directly and indirectly shaped by these global dynamics, with national security rhetoric, especially concerning energy and agriculture, playing a central role in campaigns for all presidential candidates.

The global transition to sustainable energy and climate action has faced setbacks due to inflation driven by fossil fuel price volatility, the lingering effects of the COVID-19 pandemic, and broader security instability.⁶ Additionally, the geopolitical situation is affecting commitments to foreign aid and funding for climate mitigation and adaptation efforts.

In addition to the recent geopolitical situation, the rightward shift in the politics of the Global North is a barrier to ambitious climate action, with right-wing parties often downplaying or rejecting the urgency of addressing climate change. In both the EU and Indonesia, public focus has gradually shifted towards other pressing issues, including security and the rising cost of living. While climate change was a key topic during the 2019 EU election, it has since been overshadowed by these concerns.⁷

Indonesia's recent election marks a significant political shift, as the winning president, Prabowo Subianto, and his nationalist, economically progressive, yet socially conservative party⁸ Gerindra will lead a new coalition without the involvement of the party 'PDI Perjuangan (PDIP)'. For the first time since 2013, the PDIP is not included in the ruling coalition. Backed by former president Joko Widodo, Prabowo's campaign focused heavily on national security and self-sufficiency.⁹ While the election outcome is generally viewed as a positive development, it is not without issues, with allegations that the outgoing president is laying the groundwork for a new political dynasty, potentially threatening democracy and freedom of speech.¹⁰ Civil society organisations in Indonesia are also concerned about the shrinking space for civic engagement. However, the new government presents opportunities for progress on critical issues such as energy transition, climate action, and sustainable industrial development.

⁵ Chatham House, (2023), Seven Ways Russia's War on Ukraine Has Changed the World | Chatham House – International Affairs Think Tank (URL: www.chathamhouse.org/2023/02/seven-ways-russias-war-ukraine-has-changed-world, accessed: 25 October 2024).

⁶ IEA, (2024), World Energy Outlook 2024 (URL: www.iea.org/reports/world-energy-outlook-2024, accessed: 24 October 2024).

⁷ Heberer, C., (2024), Umfragen zeigen deutlich: Klare Mehrheit der deutschen Bevölkerung wünscht sich ambitionierte Klimapolitik auch nach den Europawahlen. (URL: www.germanwatch.org/de/91051, accessed: 24 October 2024).

⁸ Indonesian political parties have a different classification for political leaning, for example Gerindra is classified as nationalist as the party is based more on the Indonesian ideology of Pancasila, rather than seeking for more of an Islamist role in the government (also categorised as a pluralist). For more information on the categories see: www.newmandala.org/mapping-indonesian-political-spectrum/ and www.bijakmemilih.framer.website/partaiprofil/partai-gerakan-indonesia-gerindra

⁹ Bijak Memilih, (2024), Prabowo & Gibran - Profil (URL: www.bijakmemilih.framer.website/, accessed: 24 October 2024).

¹⁰ Hadiz, V., (2024), The New Order Casts a Long Shadow Over Prabowo Presidency (URL: www.asialink.unimelb.edu.au/insights/the-new-order-casts-a-long-shadow-over-prabowo-presidency, accessed: 25 October 2024).

In recent years, Indonesia’s climate priorities have been highlighted by President Joko Widodo’s ratification of the Paris Agreement; however, the country continues to fall short on several self-imposed climate targets, including its renewable energy goals.¹¹ The new president has shown that he understands that climate change needs to be addressed, but as of November 2024, it is too early to see where the topic lies as a priority. Indonesia’s upcoming Nationally Determined Contribution (NDC)¹² and the continuation of the Just Energy Transition Partnership (JETP) will be on the agenda for the new president, as Indonesia will also make the five-yearly Medium-Term National Development Plan and the new National Long-Term Development Plan.¹³

Indonesia’s upcoming NDC, still undergoing public consultation, outlines targets for peak emissions: 2030 for most sectors, with the energy sector peaking in 2035.¹⁴ The net-zero goal remains unchanged from the Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR), targeting 2060. These targets and goals will be finalised upon the official submission of the NDC to the UNFCCC. Meanwhile, the newly elected government could open up fresh opportunities for collaboration on climate-related issues, including critical minerals and energy transition. There are indications that Indonesia, at the end of Joko Widodo’s presidency, is beginning to explore industrial activities and resource development beyond coal, signalling a potential shift towards more sustainable growth.

The 2024 elections in the EU and Indonesia could provide an opportunity to intensify further co-operation between the two actors on energy and climate, strengthen bilateral engagement, and establish renewed positions on foreign and climate policy.

2 Indonesian–EU Partnership: A Quick Overview

Indonesia and the EU share a longstanding relationship, with collaboration spanning various levels: First on a European level with the EU Commission as a supra-regional entity, and a second co-operation with individual Member States, notably Germany.

Additionally, the EU and ASEAN have fostered relations since 1977, which is evident through multiple strategic partnerships, the EU-ASEAN Plan of Action, and the establishment of the EU Mission to ASEAN in the late 2010s. This relation extends to environmental protection and addressing climate change, with EU-Germany collaboration with ASEAN-Indonesia notably highlighted in initiatives such as the Just Energy Transition Partnership (JETP). Indonesia is a key partner to both the EU and Germany in global climate action and the energy transition.¹⁵

¹¹ Bagaskara, A., Makahekm, S.A., and Swadana, W.A., (2024), Renewable Energy Development in Indonesia’s Power Sector Climate Policy Implementation Check (URL: www.climate-transparency.org/wp-content/uploads/2024/01/Implementation-Check-Renewable-Energy-Development-in-Indonesia-2024.pdf, accessed: 25 October 2024).

¹² The official working title of the NDC is Second Nationally Determined Contribution. There have been 3 previous NDC documents, the First NDC, launched back in 2016 and two updates to Indonesia’s NDC, the Updated NDC and Enhanced NDC, launched in 2021 and 2022 respectively. The updates are based on the First NDC.

¹³ Indonesia’s development plans are law mandated documents that were made to achieve Indonesia’s development goal as mandated by Indonesia’s 1945 constitution. The most recent Long Term Development Plan will end in 2025, and the Medium-Term will also end in the same year.

¹⁴ DITJEN PPI KLH, (2024), Komunikasi Publik Second Nationally Determined Contribution (SNDC) (URL: www.youtube.com/watch?v=tXVkm7BFbuQ, accessed: 25 October 2024).

¹⁵ Press and Information team of the Delegation to ASEAN, (2024), EU-ASEAN Blue Book 2024-2025 (URL: www.eeas.europa.eu/sites/default/files/documents/2024/Blue-Book-EU-ASEAN-2024.pdf, accessed: 23 September 2024).

The relationship between Indonesia and the EU dates back to 1949 and has faced its share of turbulence. Civil society organisations have pointed out that this partnership still carries imbalances rooted in colonial legacies and exacerbated by modern trade policies, which often appear unilateral in nature, favouring the EU at the expense of Indonesia and other nations in the Global South. While there have been attempts from Indonesian stakeholders to engage in discussions around policies such as the EU’s Regulation on Deforestation-Free Products (EUDR), these efforts have not been met with sufficient support for creating the necessary enabling conditions in Indonesia. As a result, policy formation and partnership dynamics are frequently EU-driven, leaving Indonesia in a comparatively weak bargaining position.

Recently, the EU’s partnership with Indonesia was developed towards climate action with the introduction of the Global Gateway Initiative. The initiative is an EU effort to increase global investment in multiple sectors and aims to mobilise EUR 300 billion for sustainable projects.¹⁶ One of the most important projects¹⁷ included in this initiative is the JETP with Indonesia, announced at the 2022 G20 Summit in Bali. Within three to five years, the JETP aims to mobilise EUR 19.4 billion of public and private finance to support Indonesia’s transition towards net zero by setting a peak of on-grid power sector emission of no more than 250 MT CO₂ and reaching 44% renewable energy share by 2030¹⁸. The EU committed to mobilise EUR 2.4 billion through the European Investment Bank (EIB) and Member States (Germany, France, Italy, and Denmark).

Initiatives like the Global Gateway, which includes the Just Energy Transition Partnership (JETP) are being implemented in Indonesia, but their results so far have been mixed. First, there seems to be a lack of strategic vision and prioritisation when it comes to the EU’s climate foreign policy. The EU and its Member States manage numerous projects across different regions within Indonesia and ASEAN simultaneously, which dilutes the effectiveness of partnership efforts. The involvement of various EU institutions – different **Directorates-General (DGs)**, the EEAS – and individual Member States adds to the complexity of co-ordinating and implementing a cohesive approach.

International partnerships often feel out of reach for Indigenous and vulnerable communities, despite these groups being the target beneficiaries. Indonesian civil society organisations emphasise the need for the EU to consider Indonesia’s unique development priorities and context when designing partnership initiatives. Initiatives focused primarily on macro market measures often overlook marginalised communities, who benefit little from these efforts and have limited access to the broader economic changes they seek to create.¹⁹ Additionally, there is concern over the absence of justice principles in the EU’s approach, including in climate programmes like the Just Energy Transition Partnership (JETP). The JETP’s shortcomings, such as in South Africa, where only about 1% of the total funding supports the just transition,²⁰ highlight failures in upholding justice, both financially and in policy-making.

Furthermore, for Indonesia, as of June 2024, almost two years into the three- to five-year programme, the JETP Secretariat announced that there has only been USD 144.6 million funding spread through nine programmes flowing from the partnership. Although larger parts of the funding are grants, the size of the funding is still a small

¹⁶ European Commission, (2023), Global Gateway - European Commission (URL: www.commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en, accessed: 23 September 2024).

¹⁷ European Commission, (2024), EU-ASEAN: Global Gateway (URL: www.international-partnerships.ec.europa.eu/document/download/4543909d-783c-4b3e-9914-bb14e24c64e8_en?filename=GG%20EU-ASEAN%20Factsheet%20January%202024.pdf, accessed: 25 October 2024).

¹⁸ JETP Indonesia, (2024), Why Is the Emissions Reduction Target in the CIPP Different to the Emissions Reduction Target in the Joint Statement? (URL: www.jetp-id.org/about/why-is-the-emissions-reduction-target-in-the-cipp-different-to-the-emissions-reduction-target-in-the-joint-statement, accessed: 5 December 2024).

¹⁹ VCA, (2024), Pendanaan Iklim untuk Solusi Lokal (URL: www.voicesforjustclimateaction.org/topic/pendanaan-iklim-untuk-solusi-lokal/?lang=id, accessed: 25 October 2024).

²⁰ Obuekwe, C. and Matsuo, T., (2023), Invest in People to Reap the Benefits of the Energy Transition (URL: www.rmi.org/invest-in-people-to-reap-the-benefits-of-the-energy-transition/, accessed: 14 August 2024).

percentage of the promised USD 10 billion public funding. Moreover, the 19 funded projects are mostly feasibility studies and technical assistance, which have no direct effect on emission reductions yet, as they were only launched in the second half of 2024.²¹ The slow funding progress of JETP as a widely announced project had been publicly criticised by the Indonesian government.²²

These challenges are compounded by confusion regarding how Indonesia should engage with the EU on climate-related issues. It is unclear whether the Indonesian government and civil society should interact directly with the EU as a unified entity or approach individual member states for dialogues and negotiations for multiple EU-related projects, including JETP. This ambiguity has created barriers to communication and co-ordination.

3 Recommendations and Future Outlook

1. Building a balanced and trustworthy partnership through early engagement and fulfilling commitments

As the EUDR case demonstrates, many actors involved in environmental protection in Indonesia see the regulation as a chance for the country to reduce deforestation, but they also see it as a signal of the EU's lack of trust towards its trading partners.²³ Future EU partnership offers have to be more balanced towards both parties. Moreover, the EU needs more consistency and readiness to take responsibility for the implications of its own regulations, especially those that impact the countries of the Global South.

It is worth highlighting that, at least in the case of EUDR and JETP as illustrated earlier, Indonesian civil society actors agreed that the goals of the regulation and the partnership are good, but the implementation process or the lack thereof has led to a loss of trust in EU initiatives.

Moreover, the impact of EU-Indonesian partnerships, including initiatives like the Global Gateway, often remains limited as projects rarely progress beyond the pilot stage. This issue is compounded by Indonesia's shrinking civil society space, human rights challenges, and institutional constraints, which hinder the country from fully benefiting from collaboration with the EU. For a more balanced partnership, the EU needs to demonstrate consistency in its commitments, particularly in funding, sustainability standards, and trade practices, to build trust in ongoing and future programmes.

Fulfilling predetermined agreements is key and would demonstrate the EU's commitment to any partnership and show other countries that the EU is a trustworthy partner. Moreover, future partnerships, initiatives, and regulations must prioritise inclusivity from the outset. The EU must assess the impact of its actions on stakeholders in partner countries and view these countries as equal counterparts.

2. Partnerships need to support diversification and a just transition for all to move away from damaging extractive practices

As part of the idea of a partnership on equal footing, partnerships between the EU and Indonesia, especially with climate at the forefront, have to move away from destructive extractive practices. In order to develop,

²¹ Ho, (2024), Financing Indonesia's Energy Transition Can Happen beyond Sluggish JETP Deals – Here's How (URL: www.eco-business.com/news/financing-indonesias-energy-transition-can-happen-beyond-sluggish-jetp-deals-heres-how/, accessed: 25 October 2024).

²² Indrawan, R., (2023), Kecewa! Pemerintah Indonesia Tagih Komitmen Dana JETP untuk Pensiun Dini PLTU (URL: www.dunia-energi.com/kecewa-pemerintah-indonesia-tagih-komitmen-dana-jetp-untuk-pensiun-dini-pltu/, accessed: 25 October 2024).

²³ Vohra, A., (2024), Deforestation Law Risks Pushing Indonesia toward China (URL: www.politico.eu/article/brussels-agriculture-austria-european-commission-eudr-green-deal-international-export/, accessed: 25 September 2024).

Indonesia must use its resources responsibly and have the capacity to process the resources it has in a sustainable manner. The partnership should ensure that the EU shares more than just financial investment; it should also transfer knowledge and technology to enable Indonesia to diversify its economy.

The transition also has to be inclusive; the extractive industries in a lot of economies, including Indonesia, often have patchy human rights records and often leave vulnerable and marginalised communities in precarious positions. There is a risk that Indonesia's net zero transition will repeat the mistakes of the fossil fuel industry. The transition to net zero emissions will necessitate a significant shift in the workforce along the supply chain. There are concerns that even with initiatives like JETP, the rights of workers in fossil fuel industries may be overlooked.²⁴

Multiple civil society groups encourage future partnerships between the EU, Indonesia, and other Global South partners to prioritise justice, community involvement, and democratic decision-making. While some resource extraction will be necessary for a 100% renewable energy future, human rights and justice principles must be placed at the forefront.²⁵

3. The EU has to take leadership in global climate partnerships and financing

As climate change becomes a reality for everyone, more Global South countries, including Indonesia, are increasingly taking the initiative to address the challenges of climate mitigation and adaptation. The Paris Agreement builds on the principle of common but differentiated responsibilities and respective capabilities to address climate change and complements this principle by reaffirming that developed, industrialised countries, such as those in the EU, should take the lead in providing financial, technological, and capacity-building support to developing nations.

Additionally, its financial contributions to climate financing remain inadequate, as the EU gives a significant share of its climate finance through loans. While the EU plays a key role in achieving the USD 100 billion climate finance target, the share of grants and concessional funding remains low; for instance, 84% of France's climate finance consists of loans, of which only 37% were non concessional. Additionally, funding for climate change adaptation is still inadequate.²⁶

Without the EU's leadership in climate partnerships and financing, Indonesia and other Global South countries may increasingly turn to global powers that, despite supporting emissions reductions, have questionable human rights practices. Strengthening and distinguishing the EU's leadership in climate action requires a commitment to open dialogue, justice-based transitions, human rights values, and accountability.²⁷

²⁴ Taufik, G.A., (2024), A Just Energy Transition or Just an Energy Transition? (URL: www.jetknowledge.org/insights/just-energy-transition-analysing-the-protection-gap-for-impacted-groups-indonesia/, accessed: 25 October 2024).

²⁵ Wemanya, A. and Opfer, K., (2022), Principles for Just Energy Transition Partnerships in the African Energy Context (URL: www.germanwatch.org/en/87617, accessed: 27 October 2024).

²⁶ CAN Europe, (2024), Report (URL: www.caneurope.org/report-assessing-international-climate-finance-by-the-eu-and-member-states-key-insights-for-shaping-the-new-climate-finance-goal/, accessed: 16 October 2024).

²⁷ New Climate Institute and Climate Analytics, (2024), EU (URL: www.climateactiontracker.org/countries/eu/, accessed: 16 October 2024).

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