T20 Side Event: Realizing A Just Transition in Coal-Based Regions in Indonesia

JAKARTA, 10 MAY 2022. The online workshop ‘Realizing A Just Transition in Coal-Based Regions in Indonesia’ presented by the T20 Task Force 3 ‘Governing Climate Target, Energy Transition, and Environmental Protection’, the Wuppertal Institute and LPEM FEB UI brought together policymakers and researchers at the national and international levels to address the issue of how to make coal transitions fair for all in Indonesia. The workshop, held online on 6 April 6th 2022, featured a discussion on how economic and energy transition should be planned and undertaken in the most coal-dependent regions of the country. The virtual panel discussion was moderated by Kuki Soejachmoen, Executive Director of Indonesia Research Institute for Decarbonization (IRID).

Timon Wehnert and Jannis Beutel (Researcher at the Wuppertal Institute, a German sustainable development think tank) showcased the newly developed Just Transition toolbox for coal regions, which is a support tool for regional practitioners and will be also soon available in Indonesian language. In their presentation, they showcased global trends and lessons learnt, and overall stressed that regions need to start managing the transition as early as possible in order to avoid severe negative effects on the people most affected by the transition.

Adding a regional perspective, Alin Halimatussadiah (Head of Environmental Economics Research Group, UI LPEM) presented an economic analysis of and scenarios for coal-producing areas in Indonesia, focusing on East Kalimantan and South Sumatra. She pointed out that the implementation of sustainable economic growth scenarios can potentially reduce greenhouse gas emissions and minimize the social costs of the transition. To do so, new innovative financial solutions along with an improved local budget utilization are required.

Iqbal Mandal (Coal Business Development Directorate of Mineral and Coal, Ministry of Energy and Mineral Resources) stressed the commitment of the Indonesian government to support Just Transition measures, e.g., coal industry downstream effort schemes, one of which is coal gasification or an empowerment and education program for the communities around the mining areas. According to Iqbal Mandal, mining companies will further be required to implement community development and empowerment programs as part of their budget plans.

Fabby Tumawa (Executive Director, Institute for Essential Services Reform) highlighted the impacts of a transition in the coal sector, especially on vulnerable districts and small cities, and gave recommendations on possible measures to adapt the economy in light of global trends on the coal market. He emphasized that there is no one-size-fits-all solution as all the regions have different characteristics – therefore there is a need for further research and analysis especially on those who will be most affected. He recommended creating a
commission that will study the implications and impacts of the transition and advise the government accordingly.

**Discussions from different government representatives from East and South Kalimantan and South Sumatra**

Bringing down the discussion about just transition to the regional level, Prof. Dr. Ir. H. M. Aswin (Bappeda of East Kalimantan), H. Mahyuni, S.Pd, MT (Bappeda of South Kalimantan) and M. Adhie Martadhiwira, S. Sos, M. Pol Admin (Secretary of South Sumatra Bappeda) brought in their perspective on the current obstacles and possibilities regarding just transition and elaborated their plans and ideas for the future transition at the provincial level. They stressed that the central government needs to take the lead as the provincial government only has limited authority to steer transition measures for its own. Additionally, financial constraints have been identified as another big challenge in implementing transition plans.

*For full coverage of the event, please watch our recorded live stream on Youtube: [https://youtu.be/T8EiCCzHo4E](https://youtu.be/T8EiCCzHo4E)*