

Positioning Paper – Indonesian Delegates
The 2nd Asian and the Pacific Energy Forum (APEF)
Bangkok, 3-5 April 2018

Mr. Chairman,
Ministers, Excellencies, Distinguished delegates,
Ladies and Gentlemen,

At the outset, allow me to thank the the Royal Government of Thailand and UN ESCAP and for co-hosting this important meeting.

I would also like to extend my full support to the Chairperson of the Ministerial Segment of the Second Asian and Pacific Energy Forum for your leadership and the smooth conduct of the meeting.

Excellencies,
Ladies and Gentlemen,

Recognizing that energy is a pivotal sector in achieving the Sustainable Development Goals, where its Agenda Number 7 envisages to ensure **access** to affordable, reliable, sustainable and modern energy for all, Indonesia has **committed** to endeavor **effective implementation** of the 2030 Agenda for SDGs in Asia and the Pacific. Indonesia has also pledged to mainstream Sustainable Development Goal 7 into national development and energy policies, plans and strategies. The progress towards achieving the Goal shall focus on access, efficiency, renewables and means of implementation, with deliberate considerations towards various **national realities**, level of development and its capacity, as well as **national policies and priorities**.

Considering Indonesia's national target stated in the Paris Agreement which has committed to reduce carbon emissions to 29% with Business-as-Usual Scenario, or to 41% with International Support by 2030, as well as to target 23% renewable energy within our national energy mix by 2025, Indonesia encourages countries in Asian and the Pacific region to continue pathways in proposing targets, financial incentives, financing measures, new regulations, and **technological affordability**, and foster collaboration among countries, including **transfer of technology, sharing best practices** and **scaling up renewable energy within the energy mix**. To speed up achieving targets of renewables in our respective energy mix, we highlight the importance of **lower interest-rate/cheaper financial source**. In many countries in the Asia and the Pacific, we believe the cost of fund to support the development of renewable energy remains high. Hence, we ask all delegates to work together and find innovative ways to provide cheaper financial source, among other facilitated by UN ESCAP or supported by multinational development banks.

We also welcome the regional approaches and efforts conducted by member countries to **increase efficiency** of the overall energy supply chain from extraction, conversion, delivery, and end-use through their national strategies and energy development plans. We would like to raise the

awareness of all delegates that energy efficiency is our new challenge now. Successful energy efficiency promotion basically **requires behavioural change**. It is about **changing the way we use energy**. Hence we have to think of a new set of regulations, public campaigns, and **financial instruments** that drives us to better utilise energy.

In addition, considering the emergence of globally-interconnected energy market, we encourage to examine a regional roadmap on cross-border power grid connectivity based on experience, best practices, and **national conditions**.

**Distinguished delegates,
Ladies and Gentlemen,**

As the world's largest archipelagic country with numerous remote areas and islands, Indonesia bears responsibility **to electrify all areas throughout our country**. Despite the areas' remoteness and difficulty, to obtain conventional grid connection -naturally due our archipelagic in nature-, renewable energy resources have become as the viable option and strategy to increase electrification, as well as to provide **affordable** and sustainable access to whole Indonesians by developing them through off-grid or mini-grid scheme. For a highlight, Indonesia has successfully attained 95,35% electrification ratio in 2017, we want to achieve 97.5% in 2018, and **99% electrification ratio** in 2019.

Having been proven as a country with successful **subsidy restructure** and energy price policy reform reflecting more on market price, Indonesia encourages policy frameworks in rationalizing inefficient fossil fuel subsidies with careful consideration of social conditions and priorities. Indonesia has been working in fossil-fuel subsidy reform by diminishing more than half of its subsidy budget, while remained subsidies are prudently provided to the disadvantaged people and focused on cleaner energy conversion in household sectors. Addressing harmful effects of inefficient cooking technologies, Indonesia has successfully, replaced biomass and kerosene stoves with cleaner and more practical LPG stoves at a massive scale. However, based on our experience, that **the rising energy price recently, may potentially hamper our effort in reducing inefficient fuel subsidy**.

In the end, we would also like to highlight that biofuel, both **the first** and advanced generation, has become one main source of clean and renewable energy which creates numerous green jobs, maintains **sustainable economic growth**, and enhances **green energy** development and industrial technologies, which in line with goals of the Agenda 2030. Therefore, in this forum, Indonesia would like to promote **biofuel utilizations** as well as encourage policies which adhere to free and fair-trade mechanisms, non-discriminatory principles, and harmonious with international regimes of WTO, while **promoting efficient land use to support biofuels usage**. We would also like to open pathways for the dialogue on **shaping future biofuel-related policies** based on scientific and **mutual** principles.

To conclude, it is our sincere hope that Asian and Pacific Energy Forum can serve as **the main platform** in the region to drive cooperation and collaboration in implementing SDG7, and aid in the transformation of Asia and the Pacific region into **an energy efficient, clean and sustainable region of the world.**

I thank you.