

Abstract

Developing nations face a complex challenge in balancing economic growth and environmental sustainability. Indonesia, aiming for a 34% renewable energy target by 2030 under the JETP, offers a valuable case study. This research investigates the current state of renewable energy deployment in Indonesia and the challenges hindering progress. While possessing significant renewable resources, Indonesia's current share remains below 14%. The JETP, with its initial US\$20 billion commitment, presents a significant opportunity to bridge the funding gap. However, bureaucratic complexities and securing long-term funding pose substantial challenges.

Employing a two-pronged qualitative approach, this study explores optimal carbon finance instruments for accelerating Indonesia's energy transition. Document analysis assesses current renewable energy deployment and JETP implementation progress. Semi-structured interviews with key stakeholders delve into the effectiveness of various carbon finance mechanisms.

The findings highlight the importance of streamlining project approvals, facilitating technology transfer, strengthening regulatory frameworks, and implementing a robust monitoring and evaluation system. Additionally, a dynamic carbon finance strategy that adapts to market fluctuations is critical for success. By addressing these areas and leveraging the JETP effectively, Indonesia can achieve its ambitious renewable energy goals. This research contributes to the discourse on achieving just energy transitions in developing countries. It offers valuable insights for other nations navigating the tension between resource development and environmental sustainability.