

Indonesia and Australia Strengthen Energy Cooperation to Meet Climate Change Challenges



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PRESS RELEASE

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The Indonesian and Australian governments continue to strengthen cooperation in the energy transition sector on the Kemitraan untuk Iklim, Energi Terbarukan dan Infrastruktur (KINETIK) program through the signing of the Exchange of Letters for the Indonesia Australia Partnership Program for the Economy (Prospera). The KINETIK program is an outcome of the Australia-Indonesia Climate and Infrastructure Partnership (CIP) agreement announced by the President of Indonesia Joko Widodo and the Prime Minister of Australia Anthony Albanese at the Indonesia-Australia Annual Leaders Meeting in 2022.

The Prospera Exchange of Letters was signed by the Deputy Minister for International Economic Cooperation of the Coordinating Ministry for Economic Affairs Edi Prio Pambudi and the Australian Ambassador to Indonesia Penny Williams, on Thursday (25/7), in Jakarta, Indonesia.

"This agreement marks the continuation of economic development collaboration between Indonesia and Australia, spanning over two decades, and highlights our bilateral cooperation on energy transition. Both countries are committed to implementing the KINETIK Program, aimed at strengthening the partnership by attracting more private investment in renewable energy and environmentally friendly industries in Indonesia whilst delivering various concrete projects for Indonesia," Deputy Edi stated.

The Australian Government has allocated USD200 million grant for the KINETIK program, focusing on mutually reinforcing pillars. KINETIK aims to increase investment in energy transition by supporting policy and regulatory reforms in Indonesia.

KINETIK aims to enhance access on financing for small and medium-sized enterprises focusing on climate through Australian Development Investments, and incentivize investments in large-scale green infrastructure projects. KINETIK also targets to promote an equitable energy transition where women, persons with disabilities, and marginalized communities can participate and benefit from the transition towards zero carbon emissions.

"Prospera is a crucial element in strengthening bilateral relations between Indonesia and Australia. Prospera not only symbolizes close cooperation between our two countries, but also provides a solid foundation for more strategic collaboration between Government Institutions in Indonesia and Australia, particularly in the energy transition and climate sector," Ambassador Penny Williams explained.

With the implementation of one of the KINETIK pillars, Prospera partners with State Electricity Company, Ministry of Environment and Forestry, and Ministry of Energy and Mineral Resources, totaling 32 agencies as beneficiary agencies. Prospera's support in implementing KINETIK will increase investment in energy transition by supporting policy and regulatory reforms in Indonesia.

The signing of the Exchange of Letters was also followed by the Prospera Board Meeting jointly chaired by Prospera Co-Chair Deputy Edi and Australia's Deputy Ambassador to Indonesia Gita Kamath to evaluate the implementation and achievements of Prospera for 2023-2024, and approve the Prospera Activity Work Plan and Budget for 2024-2025.

Attending the meeting were the Assistant Deputy for America and the Pacific Economic Cooperation Irwan Sinaga, Minister-Counsellor for Economic, Investment, and Infrastructure of the Australian Embassy Tim Stapleton, and the Director of Prospera. (dep7/map/fsr)

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