

JOINT PRESS STATEMENT

SP-32/KLI/2023

SP 38/GKPB/OJK/III/2023

Accelerate Renewable Energy Transition Strengthens Economic Growth

Bali, 31 March 2023 - As part of the ASEAN Finance Ministers' and Central Bank Governors' Meeting, the Financial Services Authority (OJK) and the Ministry of Finance discussed the transition of economic activities and sustainable financial instruments. ASEAN is one of the regions that is most vulnerable to climate change, and it is expected to impact all members' economies.

To support sustainability in the ASEAN region, the ASEAN Taxonomy for Sustainable Finance (ATSF) has been updated. The version 2 published on March 27, 2023, focuses on the energy sector as one of the six key sectors in the ATSF. It is the first in the world to identify energy transition funding through green and amber categories.

This demonstrates ASEAN's commitment to achieving low-carbon economies. By focusing on the Energy Sector, regional and global economies can observe how ATSF attracts sustainable investment and how the ASTF can finance the transition. The transition is a critical step in gradually converting from fossil fuels to renewables energy.

Indonesia's ASEAN chairmanship under the "ASEAN Matters: Epicentrum of Growth" theme provides an opportunity to establish global guidelines for sustainable economic development. Furthermore, ASEAN has proved to be a stable and resilient region with a successful track record of financial integration. The ASTF is a clear example of how ASEAN members are ensuring this region remains attractive to investors.

ASTF Version 2 primarily focuses on three important and relevant issues: the transition to renewable energy as the key driver of economic growth; financial support for the transition that benefits all ASEAN member countries; and fair & just principles that must underlie the green energy transition process.

Indonesia's Minister of Finance, Sri Mulyani Indrawati, said, "As the largest ASEAN country, Indonesia is committed to reducing CO2 emissions. The Indonesian government has also strengthened its Nationally Determined Contribution (NDC) from 29% to 31.8% using its domestic financial resources. As a result of global efforts and support, Indonesia has been able to increase CO2 emissions from 41% to 43.2%. the most important aspects of this NDC is the energy transition. Moreover, I appreciate the efforts of Mr. Mahendra and the other members of the Financial Services Authority in providing a framework on how Indonesia's taxonomy can mobilize various private sector funds, especially for sustainable funding and also for energy transition mechanisms."

Chairman of the Board of Commissioners of OJK Mahendra Siregar said that OJK has always been committed to encourage the implementation of energy transition in ASEAN "OJK has actively voiced its stance on the importance of supports for a gradual energy transition, particularly related to coal phase-out, to ensure that the social and economic progress of ASEAN is not undermined.

OJK with the Ministry of Finance have been coordinating all the relevant ministries and agencies in Indonesia in providing feedbacks from Indonesian perspective in all ASEAN Taxonomy Board meetings." Mahendra said.

Mahendra further said that as a result of this development, OJK received various national as well as foreign banks and financial institutions willingness and readiness to support financing fossil fuel projects in relation to its early retirement and phase-out programs.

Mahendra also invites ASEAN member states to support ATSF Version 2 by making it a reference to the development of national taxonomy, which can attract various investments from domestically and abroad and support sustainable development in ASEAN. Indonesia and ASEAN should be an example of translation of sustainable financial commitments into real action, projects and benefits for social, environmental and business aspects.

Indonesia's commitment to realizing sustainable finance with other ASEAN member countries has started since the ASEAN Taxonomy Board (ATB) formation in March 2021 and the issuance of the ASEAN Taxonomy for Sustainable Finance Version 1 (ATSF v1) in November 2021 in the COP 26 series. ATSF is a guide used to identify and classify sustainable projects and economic activities. This taxonomy is intended to facilitate the transition of ASEAN Member States (AMS) recognising the diversity in economic development, financial sector, and infrastructure maturity.

Media Contact:

Yustinus Prastowo
Juru Bicara Kementerian Keuangan



✉ kemenkeu.prime@kemenkeu.go.id

📘 Kementerian Keuangan Republik Indonesia

📷 Kemenkeuri

🐦 @kemenkeuRI

📺 Kemenkeu RI

Aman Santosa
Head of Departmen Literacy, Financial
Inclusion and Communication OJK
Telp. (021) 296-000-00

✉ humas@ojk.go.id

📘 Official.OJK

📷 OJKIndonesia

🐦 OJKIndonesia

📺 Jasa Keuangan