



INDONESIA

CLIMATE CHANGE FACT SHEET

Indonesia is the 16th largest economy globally and tenth largest emitter of greenhouse gasses (GHG), with land-use and energy contributing 84 percent of its emissions.

As a biodiversity hotspot, Indonesia's vast tropical forests and marine habitats provide a wealth of ecosystem services, such as clean air and water and flood control. However, Indonesia's economic growth over the past two decades has accelerated urbanization and the expansion of agricultural land-use to serve growing domestic and international commodity markets. This growth has challenged sustainable resource management and made Indonesia's carbon rich peatlands and mangroves more vulnerable to human-caused fires that release large amounts of carbon into the atmosphere. Around 180 million Indonesians living in coastal areas are vulnerable to rising sea levels and regularly face weather-related disasters resulting in environmental degradation and the loss of life, property, and livelihoods.

GOVERNMENT OF INDONESIA CLIMATE PRIORITIES

Indonesia's participation in global climate negotiations began in 1992 at the Rio de Janeiro Earth Summit. In September 2022, Indonesia updated its 2015 Nationally Determined Contribution to the Paris Agreement, committing to reduce GHG emissions by 32 percent (or 43 percent, with international assistance) by 2030. In its Long-term Strategy on Low Carbon and Climate Resilience, Indonesia committed to reach net-zero emissions by 2060 or sooner. To achieve these goals, Indonesia has implemented a moratorium on permits for clearing forests, established a peatland and mangrove restoration agency, and strengthened its forest fire fighting capabilities. In the energy sector, Indonesia's 2021–2030 electricity supply plan targets half of its new power generation to operate on renewable energy, and the Government has launched a roadmap to reach net-zero emissions by 2060 or sooner. At the same time, the deployment of renewable energy and energy efficiency technologies has been modest, with the country maintaining a heavy reliance on coal for power generation.

USAID'S CLIMATE CHANGE PROGRAM: OBJECTIVES AND RESULTS

In Indonesia, USAID implements a robust environment portfolio designed to reduce GHG emissions, improve land-use practices, strengthen resilience to natural disasters and other climate-related hazards, and promote the adoption of renewable energy and energy efficiency practices.

ADAPTATION

USAID supports Indonesia's climate resilience goals by equipping government, businesses, and communities with the tools and information they need to adapt to the effects of climate change. As the country urbanizes and the impacts of climate change become more pronounced, urban residents face growing challenges in gaining access to water and are increasingly vulnerable to disasters, such as floods.

USAID supports stakeholders at the national and sub-national levels to better collect and use climate data to strengthen water resource management and expand access to water and sanitation. USAID builds the capacity of Indonesia's disaster management agencies and trains communities in vulnerable areas to better prepare for, and become more resilient against, the effects of natural disasters.

RESULTS

- USAID contributed to the development of Indonesia's National Action Plan for Climate Change Adaptation. This plan was later integrated into Indonesia's 2020–2024 national development plan, which allocated over \$2.4 billion in funds for climate change adaptation.
- The drought-prone provinces of East and West Nusa Tenggara are the most vulnerable to food insecurity. USAID trained and helped farmers to implement climate-resilient agriculture practices that incorporate rainfall prediction studies, enabling them to better schedule their planting and substantially increase their crop yields. Farmers and communities can better identify disaster threats and develop preparedness and mitigation plans.
- USAID assisted 14 water utilities serving almost eight million Indonesians to address the growing challenge of water scarcity. USAID partnered with them to develop vulnerability assessments and action plans to protect critical springs that are their main source of raw water. By mobilizing funds from local governments and the private sector, USAID supported the construction of more than 750 infiltration wells that increased the supply of spring water. For example, in Ternate, Maluku, the flow from a local spring increased from 70 to 100 liters per second. This close collaboration with the water utilities laid the groundwork for new USAID programming to overcome the challenge of raw water decline and scarcity.

KEY ADAPTATION PROGRAMS

INDONESIA URBAN RESILIENT WATER, SANITATION, AND HYGIENE (IUWASH TANGGUH, 2022–2027)

Through this program, we will help Indonesia achieve 100 percent access to safe water and sanitation services, consistent with the 2030 Sustainable Development Goals. This program will help at least 1.5 million people to sustainably access safely managed drinking water and one million people access safe sanitation services. USAID will increase the resilience of water provision to the effects of changing water patterns, so that safe water is available to urban residents throughout both the rainy and dry seasons.

ADVANCING COCOA AGROFORESTRY TOWARDS INCOME, VALUE, AND ENVIRONMENTAL SUSTAINABILITY (ACTIVE, 2022-2026)

Through this program, we will utilize a \$7 million partnership with Mars, Inc. to promote sustainable cocoa agroforestry practices that address climate change adaptation and mitigation, while improving smallholder farmer livelihoods. This program will scale evidence-based agroforestry practices that promote key adaptation strategies, such as planting improved cocoa varieties, crop diversification, and changing tree species composition. These sustainable practices will protect the environment, increase smallholder incomes, and ensure high-quality cocoa supply in South and Southeast Sulawesi, where roughly 60 percent of Indonesia's cocoa is farmed.

RENEWABLE ENERGY

Indonesia enacted a national energy policy that prioritizes energy security and calls for an increase of renewable energy from 12 percent in 2018 to 23 percent by 2025. We support Indonesia's energy sector transformation toward a more sustainable, equitable, and reliable system with robust private sector participation. USAID further assists Indonesia in developing viable scenarios to decarbonize the power sector, including early retirement of coal power plants to support the Indonesian government's goal of achieving Net Zero Emissions by 2060 or earlier, consistent with the Paris Agreement. Our collaboration with Indonesia also facilitates investment and private sector partnerships in renewable energy, ensuring that sectors and communities that historically depend on coal are not left behind.

RESULTS

- USAID helped install one-fifth of Indonesia's newly created renewable energy supply since 2015. These efforts brought clean energy to over 4.6 million Indonesians and reduced nearly seven and a half million tons of GHG emissions.
- Over the past seven years, USAID facilitated over \$1.6 billion in renewable energy investments.

KEY RENEWABLE ENERGY PROGRAMS

SUSTAINABLE ENERGY FOR INDONESIA'S ADVANCING RESILIENCE (SINAR, 2021–2026)

Building on past successes, USAID is using this \$38.8 million investment to increase access to reliable, equitable, and sustainable energy services, while mobilizing public and private investment in renewable energy, energy efficiency, and other advanced energy systems. USAID assists national and subnational governments, state-owned utilities, private businesses, financial intermediaries, universities, and others to accelerate deployment of advanced energy, improve utility performance, advocate for transparent and best-value procurement, and strengthen the institutional framework for energy sector transformation. By early 2026, this partnership will mobilize \$5 billion in private and public financing, facilitate the installation of 2,000 megawatts of clean energy, and improve access to modern energy services for five million Indonesians.

SUSTAINABLE LANDSCAPES

USAID supports Indonesia's GHG emission reduction goals through climate change mitigation programs in agriculture, forestry, and other land-use sectors. Our programs improve land use governance and promote sustainable private sector practices, protected area management, and biodiversity conservation.

RESULTS

- USAID reduced 76 million metric tons of GHG emissions from the land-use sector, equivalent to taking over 13.3 million cars off the road for a year.
- We mobilized \$33.8 million in domestic funds for sustainable forest and peatland management.
- Our assistance improved the management of 7.5 million hectares of biodiverse forest and peatlands.
- We planted over 920,000 coastal plants—including mangrove trees—in disaster-prone areas with the Indonesian Red Cross. Mangroves create a natural barrier along coastlines that protects people from storms and tsunamis, while supporting biodiversity that provides families with food and livelihoods.
- Through USAID's contribution to the Indonesia Climate Change Trust Fund, GHG emissions were reduced by over 4 million tons of CO₂e through tree replanting and building biodigesters and infiltration pits. The Indonesia Climate Change Trust Fund is a multi-donor trust fund established by Indonesia to reduce GHG emissions and promote climate change resilience.

KEY SUSTAINABLE LANDSCAPES PROGRAMS

SUSTAINABLE ENVIRONMENTAL GOVERNANCE ACROSS REGIONS (SEGAR, 2021–2026)

Building on the success of a previous program, this program is a \$33 million investment that will strengthen subnational environmental governance and land-use practices while partnering with the private sector to promote sustainable commodities and green supply chains. This program helps Indonesia balance steady economic growth with thriving forests and peatlands. By 2026, USAID will bring seven million hectares of tropical forest and peatland under improved management, reduce 55 million metric tons of CO₂e, and mobilize up to \$45 million in public and private green investment.

PEATLANDS FIRE EARLY WARNING AND PREVENTION

USAID piloted and introduced the Fire Risk System, using rainfall and forecast data to predict areas that will face dry conditions and increased fire risk, and supported its integration into the Government of Indonesia at the national, provincial and district levels. USAID's assistance enabled the piloted techniques to be introduced to block canals to increase moisture levels and reduce fire risk. Land users and local governments adopted these integrated fire management principles and practices in selected high-risk peatland regions.