

SUBMISSION TO THE INDONESIAN JETP SECRETARIAT ON THE JETP PROGRESS REPORT 2025 UPDATE

Submission by the Institute for Human Rights and Business (IHRB)
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The Institute for Human Rights and Business (IHRB) welcomes the opportunity to provide input and commentaries for the recently published draft of JETP Progress Update Report 2025. IHRB is committed to encouraging responsible business practices around the world consistent with international human rights, labour, and environmental standards. In achieving that, we believe in the importance of effective legislation and policy, as well as incentives that strengthen collaboration between the government, businesses, and community as well as shaping business performance to align with best practices.

Since its launch in 2022 on the height of the G20 Summit taking place in Indonesia, The Just Energy Transition Partnership (JETP) has been a strong mover for the just energy transition agenda in Indonesia. It has been vital in driving the enactment of key regulations related to energy transition including Presidential Regulation No. 112 of 2022 on Acceleration of Renewable Energy Plants Deployment, Minister of Energy Regulation No. 5 of 2025 on Renewable Energy Power Purchase Agreement, and Minister of Energy Regulation No. 10 of 2025 on Power Sector Energy Transition Roadmap. Alongside these developments, Indonesia has also revised its key power sector planning policies that embedded Net Zero 2060 target and power sector decarbonization objectives. Marking the 3rd year of its implementation, the JETP Secretariat has released a progress update report for public consultation explaining key policies development, progress on 5 JETP working groups, and updated project priority list.

The current JETP has been implemented through several grants projects, with the just transition mechanism's operationalization waiting to be put into test through these projects. The JT Framework serves as a robust benchmark to assess potential impacts and opportunities arising from energy

transition projects under or aligned with JETP. However, the current JT Framework infrastructure can be improved to support JETP's goal in delivering the energy transition in an equitable manner, by integrating operational human rights standards and practices in each and every process of transition.

Particularly for Indonesia, the implementation of JETP rests not only on government commitments and international financing, but fundamentally on business actors across the energy value chain. With almost 50% of the current operating power plants and 71% of the planned power plants under PLN's business plan operated by Independent Power Producers (IPP), both PLN and partner companies along with other private entities like industrial energy users and financial institutions shape the speed and quality of Indonesia's energy transition. As such, the private sector is a primary driver whose alignment with just transition principles will meaningfully affect the outcomes of JETP to deliver the 'justice' it committed.

Underlining the key role of human rights in ensuring just transition, this submission provides recommendations for JETP Implementation on the following topics:

1. Strengthening the human rights approach in JETP Implementation by integrating human rights with private actor within the partnership's mechanism
2. Establishing a robust and UNGPs-aligned grievance mechanism for JETP projects
3. Improving enabling conditions for human rights in JETP implementation through policy improvements

Recommendations

1. Integrating Human Rights with Private Actor in JETP Implementation

As one of the foundational principles in the current JETP's JT Framework, human rights application should be reflected in each and every step of JETP's implementation; from planning, financing, procuring, operation, and decommissioning. As an overarching principle governing the implementation of 9 standards under the JT Framework, Human Rights principle aims to guide the just energy transition process operating under JETP.¹ However, it is not yet clear how the human rights standard's criterias under the JT Framework will be implemented under JETP mechanism.

¹ JETP Indonesia, Comprehensive Investment Plan and Policy, p. 113

A meaningful integration of business and human rights principles into Indonesia's JETP framework requires going beyond the current treatment of human rights standards as broad normative references and instead translating them into operational and specific obligations. As currently formulated, the human rights component in the Just Transition (JT) Framework largely emphasises duty for avoiding human rights violations, ensuring due process, and providing opportunities for meaningful stakeholder engagement. While these are essential foundations, they do not sufficiently articulate what private actors, which in this case include financiers and project developers, should do to respect rights in implementing their project.

To operationalise business' role in delivering a just energy transition, businesses must be positioned within the JETP governance and implementation framework in a way that both empowers and holds them accountable. Integrating human rights and business approach to JETP Implementation can become enablers to avoid prolonging inequalities (e.g., displacement/eviction for projects, labour exploitation and job loss, or exclusion of Indigenous Peoples and Local Communities from decision-making) from the transition by putting in place explicit safeguards and standards for responsible business conduct. Embedding frameworks like the UN Guiding Principles on Business and Human Rights or other international best practices on responsible business conduct ensure that companies taking part in JETP identify, prevent, remedy harms, and tap into opportunities associated with the energy transition process.

To be aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), the JT Framework must adopt indicators that reflect responsible business conducts, including requirements for project proponents receiving JETP funding to adopt human rights policies, conduct human rights due diligence, establish and disclose grievance mechanisms, and publicly report on mitigation and remedy outcomes. Such operationalisation is crucial to avoiding a gap where human rights principles are acknowledged at the policy level but remain non-binding and unenforceable at the project level.

This need becomes particularly evident when examining the current project screening mechanism² and the financing process³ that channel funding resources to project proponents. Both mechanisms presently focus on technical eligibility, emissions reduction potential, and alignment with investment focus areas, but they do not integrate Just Transition assessments or require human rights due diligence as part of selection and delivery of funding. Without such safeguards, projects with unresolved human rights issues including land-related disputes, labour violations, inadequate consultation, or legacy impacts from earlier operations risk being included in the JETP portfolio and

² JETP Progress Report 2025, p. 40.

³ JETP Progress Report 2025, p. 69.

gaining access to blended or concessional finance. A rights-based approach requires embedding JT considerations directly into project screening, prioritisation, and financing conditions. This would ensure that only projects with credible rights-respecting practices are matched with JETP financing and that implementers have incentives to improve their human rights performance as a precondition to participation.

Furthermore, it is essential that the JT Framework is not applied exclusively to a single Investment Focus Area but is instead capable of identifying and addressing cross-area impacts throughout the energy transition value chain. Many of the most significant human rights risks lie not within power-sector assets alone, but upstream and downstream of them: nickel mining and refining for renewable energy supply chains, large-scale land acquisition for transmission corridors, and legacy social and environmental impacts arising from coal mine closures or accelerated coal retirement. Limiting the JT Framework to one segment of the investment pipeline underestimates the integrated, system-wide nature of transition risks. The JT Framework should therefore be expanded into a cross-cutting assessment tool through assessments in the pre-feasibility stage so that it can: (i) screen supply chain risks for renewable energy deployment, including child labour, forced labour, land conflicts, and environmental harm in mineral extraction; (ii) assess regional socio-economic risks associated with coal phaseout and ensure companies participate in workforce and community transition planning; and (iii) map cumulative impacts across different focus areas where infrastructure, mining, and energy generation interact. This expanded application would allow the JT Framework to function not simply as a social indicator but as a governance tool that identifies risk hotspots and ensures that companies operating anywhere along the transition pathway meet the same human rights expectations.

There have been many cases where integrating human rights into business practice and day-to-day decision making have improved business' competitiveness. For instance, recent study by the UNDP has shown that businesses that improve their human rights practices tend to be more productive and efficient in generating return from their assets, hence resulting in improved financial outcomes albeit with different scales.⁴ Strengthened human rights practices within the companies also positively impacts investors' valuation⁵, hence equipping companies with a factor that mobilizes financial resources and minimising risks and additional cost in the long run. Although we acknowledge that a company's competitiveness is influenced by many factors, the study showcased

⁴ UNDP, Human Rights vs Competitiveness: A False Dilemma? : Data on The Financial Implications of Corporate Human Rights Performance, p. 35-36

⁵ UNDP, Human Rights vs Competitiveness: A False Dilemma?, p. 45-46

the fact that there are cases that have shown how human rights are compatible and aligned with the goal of market-competitiveness and improved internal efficiency.

Therefore, we strongly recommend operationalising human rights standards in JT Framework application by encouraging companies supported by JETP to adopt human rights-based policies and decision-making. We also recommend that JETP integrate a human rights approach into the JETP project planning and selection process so that JETP will have a real impact on the provision of clean and equitable energy, which will ultimately help fulfil access to justice and improve the quality of life of communities. Finally, we also encourage the utilisation of the JT framework to detect risks in the supply chain of each Investment Focus Area in order to avoid unintended impacts and injustices in the implementation of JETP.

2. Establishing a Robust Grievance Mechanism for JETP Projects

Grievance mechanisms under each project governed by JETP should not only be able to raise issues but also provide meaningful remedy, aligned with the UNGPs criteria. Under the UN Guiding Principles on Business and Human Rights (UNGPs), grievance mechanisms must be ensured to serve the purpose of establishing rights-protective systems. UNGPs criteria of legitimacy, accessibility, predictability, equitability, transparency, rights-compatibility, and continuous learning underline a grievance process that is trusted, independent, and most importantly capable of providing meaningful remedy. Crucially, grievance systems under the UNGPs are not merely channels for feedback; they are pathways for remedy and for addressing systemic issues that may arise across project sites under JETP or the broader transition program.

The JETP acknowledges the importance of grievance processing through the establishment of Meta-Monitoring Framework, which includes an indicator of number of complaints resolved with a target that $\geq 90\%$ of complaints should be resolved within 90 days or higher resolution rates for complaints filed under JETP. While this is an encouraging first step, it remains procedural in nature and currently lacks clear mandates, oversight and mechanism to provide remedy as ascribed by the UNGPs.

To align more closely with the UNGPs, Indonesia's JETP should embed grievance mechanisms as a central pillar of the meta-monitoring framework supported by clear governance mandates, independent oversight, consistent standards, and public transparency. Understanding the resources and scale of projects that have been and/or will be funded by JETP, we see that the crucial first step might be to direct project proponents to maintain and promote alignment with the UNGPs standards

for their own operational grievance mechanism (OGM). This procedure allows a direct and shorter complaint mechanism compared to if JETP established its own grievance unit and procedure while enabling JETP Secretariat’s crucial role in bridging the stakeholders and feeding into energy-transition policymaking. The Secretariat can appoint several staff members within the JETP secretariat for oversight and/or create an ad-hoc team once a complaint is escalated from companies’ OGM. After they input the findings into Meta-Monitoring, these findings can be amplified as formal policy recommendations from JETP Secretariat to the energy transition workforce/Government of Indonesia.

As an enabler, JT Framework and CIPP should also promote UNGP-aligned minimum standards for all project-level grievance mechanisms, including accessibility criteria, protections for complainants, required timelines, and rules on documentation and disclosure. Finally, the monitoring dashboard should display aggregated redacted complaint data to ensure transparency while protecting privacy.

Identified Gap in JETP Monitoring & Grievance Mechanism	Recommended Alignment with UNGPs
Grievance indicator focuses on complaints resolved but does not define quality of remedy or rights-compatibility.	Add indicator/recommendations on remedy adequacy (e.g., whether outcomes align with UNGP criteria), including verification by an independent body.
No independent institution mandated to handle grievances; Secretariat's role limited to coordination and validation.	Establish a PiC/ad-hoc team to promote alignment of OGM with UNDP standards. Also equip the PiC with authority and ability to refer cases to enforcement.
Lack of minimum standards for project-level grievance mechanism; variability will likely occur across regions and implementers.	Adopt a mandatory UNGP-aligned Grievance Mechanism Standard Template, covering accessibility, timelines, confidentiality, FPIC linkages, rights-compatibility, and protection measures.
Unclear participatory monitoring requirement for grievances, limiting community oversight.	Integrate community-based and civil society monitoring into MEL cycles and ensure accessibility of platform.

South Africa's JET Implementation Plan (JET IP) offers useful comparative insights because despite not explicitly discussing about grievance mechanism, its monitoring, reporting, and evaluation system place greater emphasis on participatory monitoring and evaluation, highlighting engagement and support from non-state actors including both private and public actors to reduce material risks in project delivery.⁶ Publicly accessible progress updates including data gathered from project implementation are tabled at steering committee levels and published on JETP's website dashboard, including criterias and milestones. These features demonstrate an institutional clarity and integration between MEL and grievance handling that Indonesia has not yet formalised. South Africa's approach also incorporates public-facing monitoring products and community involvement in oversight, helping bridge trust gaps between project implementers and affected communities.

Based on the above explanation, **we recommend JETP to promote UNGPs-aligned grievance mechanisms in every project under its implementation, supported by a dedicated team member and/or an ad-hoc team** to conduct oversight and learning on the grievances handled and responded to by companies.

3. Policy Recommendations to Promote Responsible Business Conduct in JETP Implementation

We are of the opinion that stronger policies supporting human rights and business cases can help JETP leap forward. Aligning JETP with human rights and business standards strengthens the credibility of the transition with many financiers increasingly requiring robust environmental and social safeguards. Promoting best practice in human rights adoption by businesses can also reduce duplications and cost related to assessments for both financing and acquiring the JETP label for transition projects. However, strengthening responsible business conduct in JETP-aligned projects requires regulatory reforms since many parts of energy transition require collaboration between the government, private actors, and civil society organizations.

IHRB has conducted a brief policy analysis to understand the opportunity and gap in integrating human rights and business under JETP Implementation. We strongly recommend improvements of policies in several key thematics (energy transition, human rights and governance, and market regulation) to mainstream responsible business conducts in both high-level and local intervention:

⁶ JETP South Africa Monitoring Dashboard, accessible through <https://justenergytransition.co.za/monitoring-evaluation-and-learning#theory>

A. Just energy transition regulations and policy

- To effectively operationalise human rights principles within Indonesia's JETP, the government must urgently bridge the disconnect between JETP's ambitious climate targets and existing domestic energy frameworks. While JETP aims for a 44% renewable energy mix by 2030, foundational regulations like the National Energy Policy (KEN), The National Electricity Plan (RUKN) and PLN's Business Plan remain anchored to more conservative goals, such as a 23% target by 2030. This misalignment creates a policy vacuum that obscures the regulatory signals needed to give JETP political legitimacy and provide enough time for private actors to adequately prepare for the transition including to address potential impacts and risks rising from the energy transition-related activity. Longer time windows can also help best practices to thrive, improve existing infrastructure and shift the market's demands towards renewable energy.
- Furthermore, the "Just Transition" (JT) Framework currently lacks the formal legitimacy required to drive project-level accountability and actionable responsible business conduct. To move beyond high-level rhetoric, the government should leverage Minister of Energy Regulation No. 10 of 2025 to integrate the JT Framework into binding regulations, specifically by adopting its indicators as mandatory criteria for coal retirement assessments and PLN's project screening. Codifying these indicators within the National Energy Policy (KEN) would transform the JT Framework into a robust, enforceable decarbonisation strategy.

B. Human rights and governance regulations and policy

- To operationalise human rights particularly within JETP structure, the government must move beyond symbolic gestures by starting to rigorously enforce Presidential Regulation No. 51 of 2023 (Human Rights Strategic Action Plan) and Presidential Regulation No. 60 of 2025 (Human Rights and Business National Strategy) within the energy and environment sectors. Operating these two instruments in the context of environmental sustainability and energy transition is critical to improve the responsible business conduct implementation in Indonesia, as it will introduce and implement human rights due diligence monitoring and grievance mechanisms as guided by the UNGPs across several key sectors and promote responsible business conduct in project implementation. Both instruments should also explicitly and extensively connect human rights lenses with the environment and energy sectors' policy and processes.
- For example, the implementation of both instruments can offer human rights lenses in the project permitting process by ensuring the social, economical, and environmental impacts from energy transition are thoroughly assessed. Currently, EIA only focuses on assessing technical environmental indicators that show the changes in environmental conditions while social and economic impacts tend to be framed as positive outcomes and assessed briefly, potentially excluding actual risks borne by affected groups.

- Further, the integrity of the JETP also lies in the meaningful participation of the public and impacted stakeholders. Therefore, having a coherence policy framework that enables the participation and FPIC from the early stage of the project, including through ensuring access to information and due process, will integrate human rights approach in JETP implementation. Access to information is also crucial to ensure accountability and prevent capture and procurement abuses. Integrating anti-corruption safeguards into JETP financing conditions and JT framework monitoring indicators on learning will ensure that responsible business conduct is not undermined by opaque or distorted decision-making processes and that public trust in the transition is preserved.
- Lastly, realizing a "just" transition necessitates a fundamental strengthening of social policies that protect the most vulnerable workers and communities. Social regulations and policies (e.g., land-acquisition laws, labor laws, social protection policies) that support the fair distribution of risks and benefits across stakeholders are essential to realize the 'just' aspects of energy transition. Improving land-acquisition, guaranteeing labor rights such as freedom of association, decent work, well-established social protection for affected formal and informal workers, as well as policies that can ensure workers to have equal bargaining power such as tripartite institutions can avoid shifting disproportionate risks to marginalised groups.

C. Market-related regulations and policy

- Bridging the gap between financial incentives and human rights accountability by overhauling both climate risk disclosure mandates and project financing structures can help decision-makers and JETP implementation to work on clearly identified risks. Current disclosure regulations under Financial Service Authority (OJK) 51/2017 is not well-tuned to just transition for not requiring the reporting of energy-transition risks including labor displacement or land-related risks. This should also be complemented with the direct integration of "just transition" requirements into the legal architecture of JETP financial agreements, term sheets, and letters of support. By mandating UNGPs-aligned indicators, Indonesia can establish a "compliance-for-access" model for finance under JETP that rewards companies that have credible just transition plans and efforts. Agreement and endorsement among JETP financiers on this approach will help deliver the 'J' components of JETP.

In addition, the government can also consider the myriad interconnections between their climate, social, development, and governance activities related to energy transition when developing regulations or policies supporting energy transition. To minimize impacts, maximize benefit and opportunities, as well as ensuring agency and accountability to affected groups, the government can use the following guiding questions when designing just transition policies⁷:

⁷Institute for Human Rights and Business, [Shaping A "Just" Business Role in South Africa's Energy Transition](#), p. 48

Social Risk and Impact Prevention, Mitigation, and Remediation	Social Benefit and Opportunity Maximisation	Agency of, and Accountability to Potentially Affected Groups
<p>Given the extraordinary speed and scale required for the JET, how are we prioritising the risks to people arising from climate action (both mitigations, including the transition “in” and “out”, as well as adaptation)?</p>	<p>How are we supporting the advancement of universal social protection systems within the JET, including for the diverse vulnerable and marginalised groups intended to benefit from the JET?</p>	<p>How are we ensuring all engaged parties have access to the essential information necessary for them to provide informed views within JET decision making? How are we ensuring this is taking place at the earliest possible stage of decision making (and not just consulting on decisions already made)?</p>
<p>How are we working to increase our human and financial resource capacity to effectively meet the “J” in the JET?</p>	<p>Within our economic diversification efforts, how are we assessing and embedding the needs and priorities of local groups to advance economic equity and revenue sharing?</p>	<p>Are there mechanisms in place to ensure that workers, indigenous groups, and communities have a voice in shaping the design and implementation of energy projects that affect them?</p>
<p>How can our public finance support the implementation of robust safeguards and monitoring mechanisms to prevent or mitigate potential harms?</p>	<p>How will we know if tangible community benefits from the JET have not been achieved?</p>	<p>How are we measuring the extent and effectiveness of bottom-up approaches to project origination?</p>
<p>How are we driving top-level attention by business to the risks their transition products, operations, and services pose to people?</p>		<p>Where meaningful relationships with certain groups don't exist, how are we working to enable them (e.g. rather than finding alternative ways to engage with proxies)?</p>

<p>How are we incentivising (and disincentivising) businesses to take an integrated approach to environmental, social (including human rights and justice), and governance issues across their diverse business functions and units?</p>	<p>What mechanisms are in place to prioritise public investments in underserved areas and communities that have been disproportionately affected by energy poverty and environmental injustice, including dedicated support to restorative justice priorities?</p>	<p>Is there clarity about who has ultimate decision-making power over the outcomes of the project, and are there opportunities to expand local communities' ability to shape the outcomes of the project, for example through governance structures and new business models?</p>
<p>How are we advancing the focus of full value chain assessments of both the risks and opportunities to people posed by business activities?</p>	<p>How do we assess and demonstrate that our public finance resources are being directed to ensure equitable access to clean energy solutions, particularly for historically marginalised groups?</p>	<p>How are public finance decisions regarding energy transition projects transparent and accountable to the public?</p>
<p>How are we considering the quality of business enterprise (public and private) efforts to respect human rights and advance South Africa's three forms of justice (i.e. not merely a comply-or-explain approach)? How is this being verified by the business?</p>	<p>What skills development measures and strategies are in place to train, retrain, skill and upskill workers in the transition? How are we ensuring freedom of association and representation of workers in the transition?</p>	<p>Given historic challenges around corruption and governance, how are these mechanisms being bolstered to ensure such feedback is investigated and public finance actors held accountable for their investment decisions and their impact on communities?</p>
<p>What remedy mechanisms do we have in place to receive grievances from those adversely affected by the transition? How do we know these mechanisms are effective?</p>		<p>How are we guiding quality - not just quantity - indicators to measure success and learning on the "J" in our JET projects?</p>