

Chapter 6

Country Level Analysis

Indonesia

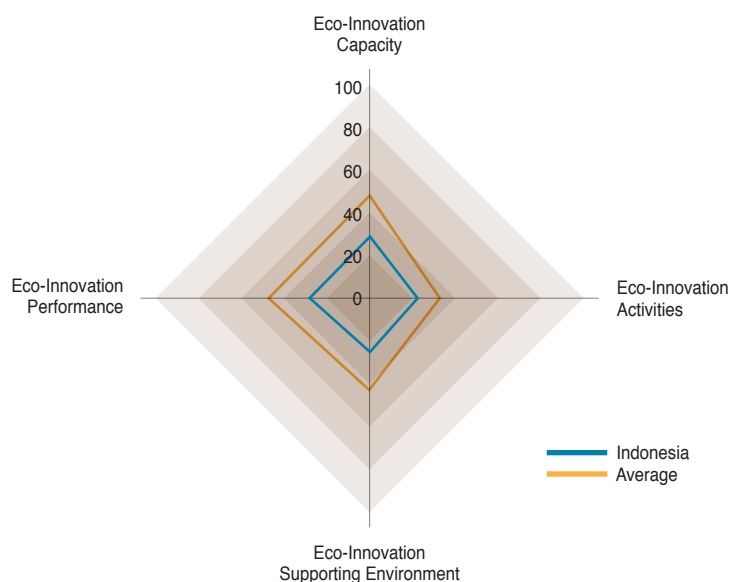





Fig 25. ASEI Result: Indonesia


Indonesia's Eco-Innovation Quantitative Analysis

According to the ASEI 2013, Indonesia scores lower (Indonesia: 27/100, Average: 43/100) than most of the other ASEM member countries evaluated by the ASEI.

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"Eco-Innovation Capacity" criteria is below average: especially **Country's General Innovation Capacity** and **Awareness of Sustainability Management** indicators represent considerably low figures.
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"Eco-Innovation Supporting Environment" criteria score is below average: **Implementation of Environmental Regulations**, and **Maturity of Investment Setting for Green Technology Industry** show lower figures than the average scores.
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"Eco-Innovation Activities" criteria score is below average: most of the indicators included in this criterion show lower figures than the average.
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"Eco-Innovation Performance" criteria score records relatively low level: **Green Industry Market Size** indicator shows higher figure relative to other indicators. **Country's Energy Sustainability level**, **Water consumption intensity**, and **Jobs in Green Technology Industry Market Size** indicators show considerably lower score compared to that of the average.

Indonesia's Eco-Innovation Supporting Environment: Qualitative Research

	National Vision & Strategy	National Policy & Programmes	Network, Partnership & Organizations
Eco-Innovation	<ul style="list-style-type: none"> ■ Wind Hybrid Power Generation (WHyPGen) Marketing Development Initiatives ■ Desa Mandiri Energi⁵²⁾ ■ Vision 25/25⁵³⁾ 	<ul style="list-style-type: none"> ■ Energy Mix Policy ■ Eco-industry program ■ Green Investment Program ■ Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+) program ■ low cost green car (LCGC) program ■ Integrated Microhydro Development and Application Program (IMIDAP), Part I ■ CF: Promoting Energy Efficiency in the Industries through System Optimization and Energy ■ Geothermal Power Generation Development Program ■ Crash Program Phase II 	<ul style="list-style-type: none"> ■ BAPEDAL (2003)⁵⁴⁾ ■ Water Treatment Plant (WTP) (2008) ■ The APEC Policy Partnership on Science, Technology and Innovation (PPSTI)⁵⁵⁾
Sustainable Development	<ul style="list-style-type: none"> ■ Reduce environment impact and implement climate action ■ Practicing green productivity with a focus on low-carbon green growth ■ The 2005–2025 National Energy Policy Blueprint (implemented in 2006) ■ Indonesia National Climate Change Commission (2010) 	<ul style="list-style-type: none"> ■ Indonesia's National Energy Policy (2006) ■ PROPER⁵⁶⁾ 	<ul style="list-style-type: none"> ■ Indonesia-Singapore Environmental Partnership (ISEP) (2002) ■ Green Investment, Innovation, and Productivity Program (by National Council on Climate Change (NCCC/ DNPI)
SMEs		<ul style="list-style-type: none"> ■ Environmental Soft Loans 	<ul style="list-style-type: none"> ■ Workshop on Development of APEC Green Technology Network to Support SME Development (2013)

Table 20. Indonesia's Eco-innovation Supporting Environment Qualitative Research Table

Major Policies of Eco-Innovation in Indonesia

- Energy Mix Policy
- Eco-industry program

Overall Comments for Indonesia

- No specific green policy is being discussed at the national level, yet it should be noted that the government is in the middle of preparing one. This move indicates government's slow but there is noticeable effort towards eco-innovation.
- There is a movement to enhance the level of sustainability management level and of its awareness by strengthening environmental regulations and proceeding related programs. This expects to generate more eco-innovation activities at firm level.⁵⁷⁾
- International supports such as World Bank's Green Innovation Pilot Program and International Labor Organization's ecotourism industry are also fostering to develop eco-industry in India.

52) Strategic Support for the Autonomous Village Energy Programme

53) National energy agency proposed to enhance the share of renewable energy to 25% in 2025) (still discussion)

54) Indonesia Environmental Impact Management Agency

55) One of the PPSTI's activities is fostering an enabling environment for innovation (2013)

56) Programme for Pollution Control Evaluation and Rating

57) Friedrich Ebert Stiftung, (2012), *Green Jobs in Indonesia: Potentials and Prospects for National Strategy*

Aiming at improvement of corporate environment recognition level, in 2007 it enabled to claim on native impacts from environmental and social aspects. It required government-owned companies to assign 2% of profits to environment program and another 2% to partnership program. Other companies implement PROPER, a voluntary environment information disclosure program