Grantee Spotlight: Institute for Development of Economics and Finance

The Giving Green Fund is awarding a restricted grant to the Institute for Development of Economics and Finance (INDEF) for its coal-to-clean program, part of its Green Transition Initiative, to strengthen the economic case for accelerating Indonesia's energy transition and to build national and subnational pathways for clean energy deployment. INDEF is an independent Indonesian economic research institute that combines policy analysis with sustained engagement across government, industry, and media.

INDEF's work falls within our philanthropic strategy of decarbonizing Indonesia's power sector and, more specifically, our sub-strategies of advancing policy and regulatory reforms that accelerate clean energy deployment, supporting evidence generation to de-risk clean energy and transmission projects, and advocating for policy reforms to reduce subsidies and incentives for coal and facilitate retirements and repurposing of coal assets. Please see Giving Green's strategy report for more information, including potential risks and co-benefits, recommended sub-strategies, theory of change, funding need, and key uncertainties.

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What Is INDEF?

INDEF, established in 1995, is an independent research institute based in Jakarta that conducts economic and public policy analysis to inform Indonesia's development debates. Its Green Transition Initiative applies this economic lens to energy transition, framing decarbonization as a question of industrial competitiveness, fiscal exposure, and regional economic development.

INDEF works through an inside-outside policy approach to provide evidence-backed policy recommendations to the government, while leveraging its long-standing institutional relationships to work directly with policymakers. INDEF engages the Coordinating Ministry for Economic Affairs, the Ministry of Energy and Mineral Resources, Bappenas, the National Energy Council, and the state-owned utility, Perusahaan Listrik Negara. It complements this policy work with private-sector roundtables, sustained media engagement, and convenings including its flagship 100 Economists Forum.

What Are We Funding, and How Could It Help Address Climate Change?

As part of our focus on accelerating Indonesia's subnational energy transition and enabling economic diversification away from coal, we are funding INDEF to address the economic and institutional barriers to clean energy deployment. INDEF aims to advance this work through three key workstreams:

- **Economic case for accelerating the transition.** Producing a flagship Costs of Action and Inaction assessment that compares the economic implications of accelerating versus delaying the transition, covering investment and energy system costs, fiscal exposure, GDP and employment, and industrial competitiveness.

- **Coal transition and economic resilience.** Deepening national and subnational coal economy diagnostics and developing pathways for regional economic diversification, alongside an assessment of potential opportunities for asset repurposing and where transition credits could apply in Indonesia, with captive coal examined as a potential early-mover case.

- **Renewable Energy Zones and subnational delivery.** Developing differentiated Renewable Energy Zone pathways beyond Java-Bali, assessing governance gaps between national and subnational institutions, and identifying potential first-mover regions for clean energy-led development.

The above workstreams aim to generate evidence to address the economic and institutional barriers that slow Indonesia’s energy transition. Assessing the economic costs of continued coal dependence can strengthen the case for earlier coal retirement, while mapping regional economic dependencies can inform strategies for managing the transition in coal-dependent regions. Clarifying the role of subnational institutions ensures practical pathways can be designed for translating national clean energy ambitions into regional implementation. Together, these efforts help generate buy-in and momentum to advance shifts away from coal and accelerate renewable energy deployment across Indonesia.

Why Do We Think INDEF Will Use This Funding Well?

INDEF has established promising early traction in applying economic analysis to Indonesia’s energy transition, with existing government relationships and work that has progressed from research toward policy engagement. INDEF's Renewable Energy Zones initiative, developed in collaboration with Indonesia's Coordinating Ministry for Economic Affairs, has progressed from concept development toward demonstration and implementation. INDEF has assessed industrial estates and Special Economic Zones

across Central and East Java, contributed to business case development, identified policy and delivery barriers, and convened government, developers, investors, and industrial stakeholders. INDEF's work has contributed evidence and recommendations to ongoing government discussions on renewable energy deployment, including discussions related to Indonesia's 100 GW solar initiative.

On coal, INDEF has developed an initial regional coal dependence diagnostic in South Sumatra, presented its findings to the provincial government, and launched a high-level coal transition dialogue series connecting national and subnational policymakers, the National Energy Council, senior power sector actors, and industry. The proposed diagnostics build directly on this existing work.

Philanthropic support for advocacy efforts in Indonesia that use economic framing to influence energy transition decisions among key stakeholders remains limited. We believe INDEF's economic credibility, access to the ministries that set Indonesia's growth agenda, and ability to carry findings into public debate position it well to strengthen the economic case for accelerating the transition.

We publish grant spotlights to offer transparency to Giving Green Fund donors and resources for those interested in the impact strategies each grant supports. Giving Green believes our Top Climate Nonprofits have the greatest impact potential for large, unrestricted gifts. For several reasons, we also disburse and recommend grants to other organizations surfaced through our research process for work that we believe is at least as impactful as grants to our top recommendations.

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