



U4 ISSUE 2026:04

Robert Forster
Aled Williams
Lakso Anindito
Amanda Cabrejo le Roux

Addressing conflicts of interest and corruption in Indonesia's energy transition

Corruption erodes sustainable and inclusive development. It is both a political and technical challenge. The U4 Anti-Corruption Resource Centre (U4) works to understand and counter corruption worldwide.

U4 is part of the Chr. Michelsen Institute (CMI), an independent development research institute in Norway.

www.u4.no

u4@cmi.no

Read online

www.u4.no/r/IS2604

Collaborators

This U4 Issue was produced in partnership with the Green Corruption Team at the Basel Institute on Governance.



Conflicts of interest and corruption in Indonesia's political economy pose significant risks to its energy transition, including the Just Energy Transition Partnership. Existing legal and institutional frameworks are fragmented, inconsistently applied, and often fail to address the risk of state capture by powerful political and economic actors, especially in the extractive and energy sectors. The reliance on fossil fuel industries for political financing and the monopolistic nature of state-owned entities further complicate the shift to a low- or no-carbon system, despite the country's ambitious renewable energy targets. Potential pathways to greater anti-corruption resilience lie in improvements to beneficial ownership transparency and strengthening regulation, monitoring, and sanctioning of conflict of interest violations.

Main points

- Corruption and conflicts of interest are embedded in the energy transition process due to the strong links between political power, private wealth (especially from extractive industries), and public office holders.
- Existing anti-corruption regulations are often vague, fragmented across different legal instruments, and suffer from inconsistent enforcement, which creates loopholes susceptible to manipulation.
- Progress in renewable energy uptake is slowed by the enduring influence and interests of fossil fuel incumbents who

benefit from subsidies that keep coal an artificially cheap and viable energy source.

- The Just Energy Transition Partnership is vulnerable to misallocations due to concentrated decision-making power, limited transparency in project selection, and insufficient involvement of national anti-corruption bodies and civil society in its planning.
- Improving transparency of beneficial ownership and strengthening the monitoring and sanctioning of conflict of interest violations are possible pathways to build greater anti-corruption resilience, though these institutional efforts alone are insufficient to fully address state capture dynamics.

Contents

Corruption and conflicts of interest in the energy transition: Political economy conditions outcomes	1
Aims and methods	1
Indonesia’s governmental anti-corruption efforts and the Just Energy Transition Partnership	3
Indonesia’s recent governmental approach to anti-corruption	3
Indonesia’s energy transition and its intersection with sectors vulnerable to corruption	5
Indonesia’s engagement with the Just Energy Transition Partnership	6
The potential for conflicts of interest and corruption in Indonesia’s energy transition	11
Increased discretion over resource extraction at the local level	11
The cost of getting into office	11
Weak enforcement	12
Energy monopolies	13
Procurement loopholes	13
Revolving doors between the energy sector and public office	14
Past prosecutions of corruption in the mining and renewable energy sectors	15
Bribery and nickel mining in Maluku Utara	15
Illegal nickel exploitation and corruption in a state-owned enterprise concession area	16
Procurement manipulation in a remote solar project	17
Corruption in the procurement of solar power plants	19
Lessons learned	20
Two possibly viable pathways for improving anti-corruption resilience for the energy transition and JETP	22
Improving beneficial ownership transparency implementation	22

Improving conflict of interest regulations, monitoring, and sanctioning	24
Conclusion: Somewhere between scepticism and optimism	26
References	28
About the authors	31

Corruption and conflicts of interest in the energy transition: Political economy conditions outcomes

The global shift from fossil fuels to clean energy represents one of the most significant economic transformations since the Industrial Revolution in which conflicts of interest and corruption are likely to pose major challenges.^{1,2} Since decarbonisation of energy systems requires investments running to the hundreds of trillions of dollars, it is acknowledged that corruption may be used to extend the life of carbon-intensive industries, while low or no-carbon energy may also fall prey to corrupt practices.³

Previous research identifies that the impacts of corruption on energy transition outcomes is likely to be contingent on localised political economies, including how power holders react to the new constraints and opportunities these transitions afford.⁴ Interventions aimed at assisting countries on their path to low or no-carbon energy systems should not ignore how conflicts of interest and corruption schemes take shape in this emerging space. Indeed, understanding and responding to these complex dynamics is vital as they can jeopardise the energy transition itself. Energy transition initiatives must include anti-corruption efforts capable of assessing and tackling the risks. Awareness of the public is essential and there must be broad momentum behind domestic efforts to protect energy resources from abusive and illegal practices.

Aims and methods

This U4 Issue pursues two main goals. First, it unpacks the potential for conflicts of interest and corruption to affect Indonesia's transition to a low or no-carbon energy system. Second, it identifies pathways to strengthen anti-corruption resilience in Indonesia's energy transition, given prevailing political economic conditions. To do so it examines the Just Energy Transition Partnership (JETP), a G7-plus supported

1. Williams 2022.

2. Conflict of interest is defined here as a conflict between an entrusted duty on the one hand, and the private interest of the duty-bearer on the other hand. Corruption is defined as the abuse of entrusted power for private gain.

3. Sovacool 2021.

4. Williams 2022; Sovacool 2021.

initiative aiming to assist Indonesia's transition to low or no-carbon forms of energy. Our analysis is based on a literature survey, the identification of recent illustrative legal cases, and 12 qualitative interviews with Indonesian government officials, scholars, and members of civil society and the media, conducted in 2025. In addition, this paper is informed by a workshop with representatives of Indonesian state and non-state actors held in Jakarta in November 2025.

Indonesia's governmental anti-corruption efforts and the Just Energy Transition Partnership

In late August 2025, Indonesia experienced nationwide protests linked to anti-corruption demands. Initially fuelled by a substantial increase in the monthly housing allowance for members of parliament to nearly ten times the national minimum wage, protests escalated after the killing of a 21-year-old online motorcycle taxi driver (known locally as *ojol*), Affan Kurniawan, by a Mobile Brigade Corps armoured vehicle. The incident sparked further violence that killed 10 people and saw the widespread arson of cars and government buildings.⁵

Among protestor grievances were extreme socio-economic inequality and the widespread sharing on social media of ostentatious lifestyles by Indonesia's business and political elites. Corruption also played a significant role in motivating the protests, as demonstrated by the inclusion of anti-corruption goals in a 17+8 list of key demands.⁶ To understand why these anti-corruption goals were listed among the protestors' demands, we must revisit Indonesia's recent governmental anti-corruption efforts.

Indonesia's recent governmental approach to anti-corruption

Coming to power in September 2024, President Prabowo Subianto promised to continue government efforts to tackle Indonesia's 'pervasive' corruption problem, addressing Indonesians' well-documented concerns regarding corruption.⁷ In a 2020 study on the experiences of corruption among Indonesian businesses, for example, a third reported that they had been requested to pay a bribe by an official.⁸ In two sectors of vital importance for energy transitions, namely construction and the extractive industries, this encompassed nearly all respondents. Earlier research on

5. Butler 2025.

6. Williams and Forster 2025.

7. Winston 2024.

8. Kenny and Warburton 2021.

Indonesia confirms that the state plays a strong regulatory role in the extractives sector which makes it vulnerable to rent-seeking by officials.⁹

During the post-Suharto liberalisation process, Indonesia had overhauled its governmental anti-corruption approach, and in 2004, established an independent Corruption Eradication Commission (KPK). Despite operating in an adverse context, the KPK proved effective and became the most trusted of Indonesia's law enforcement bodies with 1,152 arrests between 2004 and 2019, including of high-level officials.¹⁰ During the latter half of the ten-year presidency of Joko Widodo (2019–2024), the KPK particularly focused its efforts on the palm oil and extractive industries, which were viewed as exacerbating ecological harms in resource-rich areas.^{11, 12, 13} However, democratic backsliding in recent years has seen a lesser focus on enforcement.¹⁴ During the Widodo presidency a revised national anti-corruption strategy officially emphasised prevention and education over enforcement actions, and in 2019, the KPK was placed under increased oversight with all investigations subject to board approval.

After the 2024 presidential election, Prabowo's government took certain actions to tackle corruption. Several high-profile corruption cases were pursued by the Attorney General's Office and KPK, involving state losses that together exceed all corruption cases from the end of the Suharto era to the end of Joko Widodo's presidency.¹⁵ New leadership was introduced to the KPK, who announced an intention to rebuild its National Program to Save Natural Resources.

... it remains to be seen whether Prabowo's government will tackle the truly major corruption cases.

Reactions to these governmental anti-corruption efforts have been mixed, however. Although welcomed by many voters,¹⁶ publicity around the pursued cases also highlighted the wealth of elite members of Indonesian society to ordinary citizens. President Prabowo's pardoning of the corruption convictions of Hasto Kristiyanto,

9. Kenny and Warburton 2021, 7.

10. Kenny and Warburton 2021, 3.

11. See article in Indonesian:

A 2018 KPK evaluation related to the protection of natural resources.

12. See article in Indonesian:

Indonesian anti-corruption education centre article on countering corruption in the natural resources sector.

13. See article in Indonesian:

Mongabay (environmental news service) article on the status of the action agreement for the protection of natural resources.

14. Schütte 2019; Mietzner 2025.

15. Bachtiar 2025.

16. Oktavian 2025.

secretary-general of the Indonesian Democratic Party of Struggle (PDI-P), and Thomas Lembong, a supporter of Prabowo's main rival in the 2024 presidential election, were criticised by some commentators as 'legal politicisation' that could further erode public trust in the rule of law.¹⁷ Some analysts argue it remains to be seen whether Prabowo's government will tackle the truly major corruption cases – including when they touch on his own Red and White political coalition – given the dependence of political parties and candidates on election finance from extractive and other land-based industries.¹⁸

Indonesia's energy transition and its intersection with sectors vulnerable to corruption

The Prabowo government has pledged to reduce dependence on fossil fuels while making Indonesia a global leader in new and renewable Energy (NRE) and bioenergy. During his 2025 state visit to Brazil, Prabowo further committed Indonesia to become 100% dependent on renewable energy in the next decade.¹⁹ These ambitious commitments will be difficult to achieve, however. With a population of over 283 million people living across 17,000 islands, Indonesia accounts for 25% of energy consumption in the Association of Southeast Asian Nations countries.²⁰ Its economy is based on the services sector (43%), industry (including manufacturing and resource exploitation) (40%) and agriculture (12.5%).²¹ Fossil fuels currently play a key role in the economy and politics, and Indonesia is dependent on fuel imports to remain competitive. Fossil fuel and electricity subsidies cost the national budget IDR 164,3 trillion in 2023 (USD 9.8 million).²²

The difficulty of transitioning to less carbon intensive energy sources is evident from the country's earlier energy policies. Between 2016 and 2020, 94.1% of USD 83.7 billion provided by the Government of Indonesia for energy production supported the production and consumption of fossil fuels (39% to oil and gas, 18% to coal, and 38% to electricity (of which most was generated using fossil fuels)).²³ Suharsono et al²⁴ found that 77% of these policies benefited energy producers rather than consumers. Attempts to grow the renewable energy sector has been offset by the requirement for the Indonesian government, as a net importer of oil amid a record

17. Bachtiar 2025.

18. Bachtiar 2025.

19. Febiola 2025.

20. Verriere 2023.

21. Clark 2025.

22. Tanahair 2024.

23. Suharsono et al. 2022, iv.

24. 2022.

high oil price, to control inflation and purchasing power by increasing fuel subsidies.²⁵

Indonesia's engagement with the Just Energy Transition Partnership

Against this backdrop, Indonesia has engaged with the Just Energy Transition Partnership (JETP). JETP is an initiative offering development cooperation actors a relatively inexpensive pathway to cutting global emissions by encouraging private investment in clean energy, electrification, and other green technology, thereby upholding commitments to assist countries reach UNFCCC objectives.²⁶ The JETP model was first announced at the UNFCCC COP26 in Glasgow, initially in a USD 8.5 billion deal between the International Partners Group (consisting of the G7 and other European countries) and South Africa. The JETP with Indonesia was announced as part of the second tranche of JETP programmes at the 2021 G20 meeting in Bali and committed to mobilising USD 20 billion in private and public funding over 3–5 years.²⁷ A priority for Indonesia in its role as G20 President in 2022, was 'ensuring that public money is being used appropriately and effectively to achieve [...] a clean energy transition'.²⁸ In the 2023 prospectus drafted by the Indonesian government to 'unlock' JETP investment, known as the Comprehensive Investment and Policy Plan (CIPP), the two main aims of Indonesia's climate strategy are to peak CO₂ emissions at 290 million tonnes and increase renewable energy production to 44% of output by 2030. The CIPP prioritises 400 projects that require USD 67.4 billion in investment.²⁹

Funding commitment from development partners is essential given USAID's withdrawal.

The JETP programme in Indonesia faces several challenges, however, related to its funding, the involvement of civil society, the early retirement of coal fired powerplants, and further development of the electricity grid. Commitment from development partners is essential given the withdrawal of funding from USAID that had previously (in 2024) provided a fifth of global climate funding.³⁰ Current funding levels for JETP are insufficient – at least USD 97.3 billion is required to

25. Suharsono et al. 2022, vi.

26. Hadley 2022; Sweeney 2024.

27. Nangoy 2023.

28. Suharsono et al. 2022, 3.

29. Nangoy 2023.

30. Harvey 2025; Interview, 5 May 2025.

meet planned emissions cuts according to the CIPP³¹ but the bulk of funding takes the form of concessional loans at or below market rates. Only USD153.8 million are grants.³² The remaining funds will be channelled through multilateral development banks, which means that Indonesia may have to set aside USD 8.4 billion in sovereign guarantees with budget implications potentially shrinking welfare spending.³³ Additionally, though JETP is pitched as unlocking further funding, the mechanism for facilitating this is unclear.³⁴

Another aspect of JETP is the inclusion of civil society and private actors. JETP implementation in South Africa met opposition from unions considering the government's announced break-up of the South African utilities company, Eskom, to raise funds.³⁵ In Indonesia, civil society groups had previously overturned government attempts to introduce private companies into the energy market in 2016. However, a similar process appears to be taking place in relation to the state utility firm Perusahaan Listrik Negara (PLN, which is wholly owned by the government and managed by Indonesia's sovereign wealth fund Danatara and the State-Owned Enterprises Regulatory Agency),³⁶ where a 2020 law 'endorsed the presence of private and cooperative energy producers' in addition to the state utility.³⁷

In addition to issues of funding and the inclusion of civil society and private actors, another potential sticking point is the issue of coal fired powerplants, which provide around half of the energy in the country's 69GW capacity grid.³⁸ Indonesia is the world's third largest producer of coal and for its energy transition ambitions to succeed its reliance on fossil fuels must be reduced.³⁹ However, rapid reduction of coal would disrupt energy access and affect employment in the extractives sector as well as related supply chains.⁴⁰ To date, the average age of Indonesia's current coal plants is 12–13 years, and they can remain operational for an average of 45 years.⁴¹ To deal with this contradiction, the CIPP explicitly carves 'captive' coal fired plants out of Indonesia's energy transition and blurs taxonomies of which projects are

31. The PLN noted the requirement for USD 500 billion, far above JETP funding or any domestic state capacity (Hamdi 2023).

32. Nangoy 2023.

33. Mafira, quoted in Sweeney 2024; Shah 2023.

34. Hamdi 2023.

35. SAFTU 2025.

36. Law No. 16/2025 that revised Law No. 19/2003 on SOEs. This law transformed the Ministry of SOEs to a Non-Ministerial Agency, namely the Badan Pengelola BUMN/SOE Regulatory Agency.

37. Sweeney 2024.

38. Suroyo and Nangoy 2023.

39. IEA 2025.

40. Shah 2023.

41. Karmini and Arasu 2022.

considered 'green', such as the inclusion of biomass firing at coal plants which has been described as an example of 'greenwashing'.⁴²

The CIPP notes that Indonesia plans to retire 5.5GW, of which 1.7GW was supposedly retired by 2024. However, in addition, the country is on track to supply an additional 12.8GW of coal fired powerplants that are not connected to the grid but operate in closed industrial parks to serve the nickel industry.⁴³ This is because although Presidential Decree 112/2022 prohibits the creation of new coal powerplants, they can still be built if they are for public service obligations or if they mix coal and renewables (so-called 'Frankenstein plants').⁴⁴ As argued by Hadley,⁴⁵ commercially viable coal powerplants that currently operate under favourable regulations, must be closed before being replaced by greener solutions. Some foreign companies have pulled investments in fossil fuel projects, notably related to coal gasification.⁴⁶ However, withdrawn contributions have occasionally been replaced by new investors, including Danantara.⁴⁷

One concern is that the energy transition triggers government policies that artificially inflate the need to import resources that Indonesia may not strictly need. One interviewee highlighted this dynamic in previous 'green' policies such as the switch from coal to natural gas in 2009. Until then, Indonesia predominantly sold gas for export, but when former President Susilo Bambang Yudhoyono ordered the switch from coal to gas, the country had a deficit. Entrenched interests in the coal sector won out under the Widodo government of 2014, however. As several projects aimed at shifting from coal to gas failed, the PLN was instructed to resume the purchase of coal.⁴⁸

Another aspect of Indonesia's energy transition is the development of its electrical grid. Indonesia's energy sector is currently a monopoly under the state-owned enterprise PLN, operating across 22 subnational energy systems in 16 provinces. Unlike other emerging economies, Indonesia has a power surplus in its main industrial areas (ie Java and Bali) that limits the extent to which these areas can absorb new renewable energy.⁴⁹ The highest priorities outlined in the CIPP are therefore transmission and grid projects including the Sumatran backbone, the Java-Sumatra transmission line, and the Sumatra-Batam-Bintan transmission line.⁵⁰

42. Prasetyo and Gunawan 2023.

43. Suroyo and Nangoy 2023; Nangoy 2023; Prasetyo and Gunawan 2023.

44. Interview, 26 June 2025.

45. 2022.

46. Shofa 2025.

47. Interview, 7 April 2025.

48. Interview, 25 June 2025.

49. Hadley 2022.

50. Karyza 2023.

While the PLN dominates electricity provision on Java and Bali, on the outer islands it is the Ministry of Energy and Mineral Resources (ESDM) that should be the operator, although PLN is the *de facto* provider. Expansion and improvement of Indonesia's electrical grid is considered vulnerable to corruption through potential demand for kickbacks for project certification. In addition, our interviews revealed concerns regarding a lack of transparency in the PLN auction system.⁵¹

Unfinished projects create loopholes and ambiguity in oversight which leave them vulnerable to corruption.

One example provided by an interviewee related to potential difficulties if the government were to establish a powerplant in Papua. If the project were hypothetically not completed within the annual fiscal year, it would be unlikely to be finalised.⁵² Unfinished projects create loopholes and ambiguity in oversight which leave them vulnerable to corruption through manipulation of rollover budgets, renegotiations (which offer an opportunity for side-payments, collusion, and kickbacks), and pressure to disburse funds which may lead to certification of incomplete or lower quality work to show progress. This is exacerbated by the monopolistic characteristics of the PLN which extends up- and downstream in the energy sector. Attempts to 'democratise' or break this monopoly are challenged due to constitutional provisions that energy should be managed by the state.⁵³ Moreover, due to the mandate to provide cheap energy, PLN's debts remain chronically high. The state deals with this through the provision of subsidies or soft loans, but this debt creates future challenges in respect to the possible liberalisation of Indonesia's energy market.⁵⁴

So far, Indonesia aims to increase the share of renewables rather than substituting coal – a process that has slowly occurred but is deterred by subsidies for the coal sector. Subsidies targeting renewables such as electric cars are subsumed by the same structural obstacles. In one example provided by interviewees, a military general – through a company owned by a family member – was known to import electric busses benefitting from available subsidies.⁵⁵ This example highlights the

51. Interview, 26 June 2025.

52. Interview, 24 April 2025.

53. Interview, 30 April 2025.

54. Interview, 13 June 2025.

55. Interview, 7 April 2025.

importance of wider political considerations in shaping Indonesia's transition to cleaner energy.⁵⁶

56. Hamdi 2023.

The potential for conflicts of interest and corruption in Indonesia's energy transition

Several issues exacerbate potential conflicts of interest and corruption in Indonesia's energy transition that confront the JETP initiative. Indonesia's current political economy, regulations and enforcement at the nexus of resource extraction, election finance, and delegation of procurement contracts, are all salient factors. Similarly, interlinkages between state office and procurement are vulnerable since discretion is centred on political office with weak oversight. This section gives an overview of the main risks based on our literature survey and interviews.

Increased discretion over resource extraction at the local level

With decentralisation of Indonesia's political system after the end of the Suharto era, competition grew over access to lower-level elected office.⁵⁷ In 2005, it was decided that district heads would become directly elected. Then in 2009, Law no. 4 on Mineral and Coal Mining (Minerba Law) granted authority to district heads and mayors to issue mining licences.⁵⁸ Corruption and conflicts of interest in the mining sector subsequently saw considerable attention from KPK investigators during the 2010s.^{59, 60} This initial bonanza of corruption in the mining sector is, however, viewed to have been reined in by the 2020 reform of the Minerba Law.

The cost of getting into office

The above reforms only reduced corruption risks in relation to mining licenses, however. Electoral financing by private companies, including from the mining sector, is still a mechanism used to influence politicians and obtain favourable treatment. Hence, the reform of state regulations has so far failed to address wider structural issues, including embedded cultural norms of patronage, dependencies on

57. Downs and Tacconi 2013, 160–163.

58. Anugrah 2023, 204.

59. Hamidi 2015.

60. The mining and critical mineral sectors are recognised as vulnerable to conflicts of interest, but less attention is directed towards nickel smelters, EV battery production, and coal powerplants (Interview, 5 May 2025).

external finance by candidates for political office, and weak fragmented oversight in regions distant from Jakarta.

Candidates for political parties must amass large campaign funds to even be considered for elected office. Candidates are known to spend billions of rupiah for a seat, from 20–30 billion in 2018 to as high as 200 billion in 2025.⁶¹ As noted in one interview:

Everyone knows this “open secret”. To run for local or national elections, candidates need sponsors, and most of the money comes from energy companies – such as coal or nickel companies – which are the major sponsors for elections. Once elected, something needs to be paid back. It’s been a national debate, and while the media covers it [and] the conflict of interest is evident [...] we do not have any solutions.⁶²

Candidates are known to approach prospective private companies a few years before their planned campaign. By taking a loan, a social obligation forms whereby the funded candidate must repay their debt while in office.⁶³ Knowing this, companies often finance several candidates to manage risks.⁶⁴

This is considered a cost of doing business – protection money: a way to keep their businesses safe. They even mentioned the acquisition of political parties, likening it to a company merger. This is possible because there is no ideological foundation.⁶⁵

Weak enforcement

While election finance is regulated, it is rarely enforced. “The current government is not particularly interested in tackling these issues, often framing criticism as “foreign agents trying to smear our name”.”⁶⁶ Problems of enforcement are compounded when state officials and members of parliament are known to sit as beneficial or ultimate beneficial owners of energy companies:

61. Anugrah 2023, 204; Interview, 17 June 2025.

62. Interview, 26 June 2025.

63. Anugrah 2023, 203.

64. Anugrah 2023, 204.

65. Interview, 17 June 2025.

66. Interview, 26 June 2025.

[...] if we find a suspicious transaction flow from a company believed to be related to environmental crimes, it is difficult for us to act. If we know that a board member is not only a member of parliament but also affiliated with a political party, it becomes even more complicated.⁶⁷

As noted by Downs and Tacconi:⁶⁸ 'Whilst there will be variation in how much debt candidates accrue, and how much private greed might also be involved in their activities, it is the systematic nature of this campaign debt that impacts upon relationships between politicians and companies'. Summarising the political economy factors that shape corruption and conflicts of interest risks, one interviewee noted:

What we have is state capture corruption. [...] In every sector, those politicians become bureaucrats and then start formulating policies [...]. Entrepreneurs go through political parties and create programmes but determining who truly benefits is difficult to prove. Unless there is evidence of bribery or embezzlement, which are easier to catch, it often goes unnoticed. [...] They [the politicians] are open about their connections to these companies. Nowadays, it's not just the vice ministers; this [trend] extends to echelon 1 and 2 officials.⁶⁹

Energy monopolies

The PLN is recognised as a bottleneck for the energy transition. According to one interviewee: 'they act as the regulator, distributor, and the main buyer' and can alter policy and regulations including for renewables. However, market liberalisation of critical sectors is overshadowed by the experience of the Asian Financial Crisis of 1997, which hampers the promotion of voices seeking to liberalise the energy market.

Procurement loopholes

Oligarchic influence over Indonesian democracy has been a long-standing feature but, as Warburton⁷⁰ argues, recent trends go beyond discrete cases of regulatory or institutional capture. Over half of the cabinet of former President Widodo, himself a

67. Interview, 23 June 2025.

68. 2013, 161.

69. For analysis of grand corruption dynamics in natural resource sectors see: Syarif (2024).

70. 2024.

former furniture entrepreneur, came from the private sector, a near doubling from earlier cabinets, leading to a perceived fusing of private wealth with public office. This situation directly affects regulations for government procurements. According to one interviewee, multiple permit and procurement loopholes exist where 'the winners of procurement contracts are often politically exposed individuals'.⁷¹

Revolving doors between the energy sector and public office

It has been argued that former President Widodo brought businessmen into his government because he viewed them as efficient and resourceful.⁷² Our interviews suggest that the flip side to this is that private interests are overrepresented in the state and that this is affecting the character and pace of the energy transition:

State capture, the oligarchs or mafias in the energy transition use their influence in the government and parliament to influence the regulations and policy to meet their interests. There is no clear policy on avoiding conflicts of interest in the energy sector, this makes state capture possible in this sector.⁷³

A particular gap is the absence of a revolving door policy:

For example, any hiring of officials should exclude individuals from the same sector, and any high-ranking official who resigns should not be allowed to work in the renewable energy business. Additionally, any regulator cannot be a player, and any player cannot be a regulator.⁷⁴

In short, corruption and conflicts of interest are embedded in the energy transition, limiting its impact. One interviewee argued that the transition has seen slow progress to date because of the interests of fossil fuel incumbents: 'Once the focus shifts to renewable energy, coal will no longer be in demand. Who will buy the coal if not the PLN?'.⁷⁵

71. Interview, 23 June 2025.

72. Warburton 2024.

73. Interview, 30 April 2025.

74. Interview, 23 June 2025.

75. Interview, 25 June 2025.

Past prosecutions of corruption in the mining and renewable energy sectors

Despite the above information, our interviews revealed that relatively little is known about the true scope of conflicts of interest and corruption in Indonesia's energy transition to date. Most analysis and discussions have focused primarily on the *potential* for conflicts of interest rather than strong evidence of actual conflicts.⁷⁶ Nonetheless, a series of legal cases of bribery and corruption in the mining and renewable energy sectors have been investigated and prosecuted in Indonesia in recent years. Four such cases are summarised below – illustrating the types of corruption schemes that could in principle affect the energy transition and the JETP initiative.

Bribery and nickel mining in Maluku Utara

Abdul Gani Kasuba (AGK), former Governor of North Maluku, received bribes and gratuities to issue mining business permits and permits for mining-related infrastructure in Maluku Utara in violation of tender procedures for government projects.⁷⁷ Evidence presented during the trial established that between 2019 and 2023, AGK received around USD 6,709,000 and USD 90,000 in cash and through 27 bank accounts owned by his adjutants and assistants.

These illicit funds were reportedly sent by heads of regional agencies and various business entities involved in mining and mining-related infrastructure projects. The payments were intended to facilitate the issuance of nickel mining permits and to smooth the approval of several mining-related road and bridge projects in South Halmahera. Companies involved included PT Trimegah Bangun Persada, a subsidiary of Harita Group, the largest nickel mining company in Maluku Utara. In addition, the governor instructed the Head of the Procurement Unit to arrange tender allocations for government projects to several vendors with an illegal facilitation fee of between 10 and 15% of the value of each project. Investigators examined potential money laundering offences in this case. This part of the investigation was incomplete when the governor passed away, however, and the investigation was discontinued.

76. Interview, 5 May 2025.

77. For an overview of corruption in mining and the role of decentralisation in corruption see: Hamidi (2015, 92–93).

The Special Anti-Corruption Court of Ternate, North Maluku, rendered its decision on 26 September 2024, sentencing the governor on corruption charges to 8 years imprisonment and a fine of IDR 300 million. An additional obligation to pay for the recovery of illegal gain was also handed down. The governor appealed, but the decision of the Appeal Court on 18 November 2024 was consistent with the first instance decision. Finally, the Supreme Court decided to dismiss the case on 19 March 2025 after the governor passed away due to serious illness on 14 March 2025.

In this case, private sector actors and high-level public officials became suspects and were eventually convicted for corruption. Not all of them were linked to nickel, however, since the case involved several aspects, such as procurement, receiving bribes in exchange for appointing officials in government agencies, procurement, etc. The governor's trial attracted significant public attention as it revealed the alleged division of mining blocks in North Sumatra, specifically under the 'Blok Medan' code. This code has been linked to Bobby Nasution, the husband of former President Widodo's daughter, Kahiyang Ayu.⁷⁸

Illegal nickel exploitation and corruption in a state-owned enterprise concession area

This case revolves around the collusion of public officials and private entities manipulating transactions to conduct illegal exploitation of nickel in the concession of PT Aneka Tambang Tbk (Antam), one of Indonesia's largest state-owned mining enterprises in the di Mandiodo Concession, Konawe Utara, Sulawesi Tenggara. This case also involves the Director General of the Ministry of Energy and Mineral Resources (ESDM).

Windu Aji Sutanto, the ultimate beneficial owner of PT Lawu Agung Mining, manipulated documents and included fake transactions for personal gain. The total state loss caused by the defendants' actions amounted to approximately USD 132,659,000, stemming from the illicit exploitation and sale of nickel ore extracted from PT Antam's mining concession. This was carried out through unauthorised mining operations by PT Lawu Agung Mining, which had no legal entitlement to operate in this concession area.

To conceal the illegality of their actions, the defendants collaborated with high-level officials from ESDM and directors from Antam, using falsified or manipulated documents to create the false appearance of lawful operations, thereby facilitating the mining, transportation, and sale of nickel ore. The illegal gains were transferred

78. See: Tempo (2024).

to bank accounts under the names of junior staff to conceal the proceeds of the crimes.

Ten persons became suspects in this case and eight of them were eventually convicted, including Windu Aji Susanto (shareholder, PT Lawu Agung Mining), Glenn Ario Sudarto (Field operator, PT Lawu Agung Mining) and Ofan Sofwan (Director, PT Lawu Agung Mining). The investigation was conducted by the Attorney General's Office (Kejaksaan Agung) and was decided by the Anti-Corruption Special Court in Jakarta. The investigation was conducted using a case-building process without a sting operation. The sheer volume of the court judgment (873 pages) indicates a thorough and detailed examination of the evidence and legal arguments presented by all parties throughout the investigative and trial phases. It should be noted, however, that the money laundering aspect of the case is still under investigation after the conclusion of the corruption-related case.

The Jakarta Special Anti-Corruption Court, in its decision dated 25th April 2023, delivered the following sentences: defendants Glenn Ario Sudarto and Ofan Sofwan were sentenced to seven and six years of imprisonment respectively. As the ultimate beneficial owner, Windu Aji Sutanto, was sentenced to eight years of imprisonment, which was then raised to ten years of imprisonment by the Supreme Court. Furthermore, Windu Aji was ordered to pay restitution of IDR 135,836,898,026 (approximately USD 816,000).⁷⁹

Procurement manipulation in a remote solar project

This case relates to corruption in the procurement of solar cell home systems for remote villages in Kutai Timur, Kalimantan Timur. It involved embezzlement of state funds totalling around USD 3,260,000 from a project valued at around USD 5,536,000.

In 2020, the Kutai Timur Regency conducted a solar panel procurement process, through the Investment and One-Stop Integrated Services Office (DPMPTSP), for remote villages without electricity access. The project was financed through the regional government budget with a total contract value of around IDR 90 billion. A Financial Audit Board investigation revealed systematic irregularities in project execution, resulting in state losses of around IDR 53,6 billion due to mark-ups and other manipulations in the procurement and implementation process. The defendant, M. Zohan Wahyudi, served as the Managing Director of PT Bintang Bersaudara Energi, one of the project contractors. The procurement process was

79. Court decision: Putusan Pengadilan Tindak Pidana Korupsi pada Pengadilan Negeri Jakarta Pusat Nomor: 116/Pid.Sus-TPK/2023/PN.Jkt.Pst; Putusan Kasasi Mahkamah Agung Nomor: 7918 K/PID.SUS/2024.

deliberately fragmented into smaller packages to circumvent open tender requirements and facilitate direct appointment procedures in violation of procurement regulations.

The defendant allegedly conspired with officials in the process to manipulate the project. The contracts were subsequently inflated (marked up) and not executed according to required technical specifications or contractual timelines. Numerous solar panel units did not work, and a substantial proportion were never delivered to designated recipients. The defendant made full payment withdrawals despite incomplete project progress and allegedly diverted the proceeds for personal use, including the purchase of luxury items such as a Range Rover. This case also involved the Head of the Program Planning Subdivision of the Revenue Agency, a member of the Committee for Examining the Results of Government Procurement of Goods and Services, and a public official from the Procurement Team. These three public officials have been convicted for corruption.

The East Kutai District Attorney's Office initiated investigations in 2021, subsequently designating four suspects, including M. Zohan Wahyudi and the three active civil servants. In July 2022, M. Zohan was detained and tried at the Samarinda Corruption Court. During the proceedings, prosecutors successfully demonstrated the defendant's direct involvement in project manipulation and personal profit. The evidence seized included project documentation, luxury vehicles, and recovered cash. The East Kutai Attorney's Office recovered approximately USD 246,000 in state assets through its recovery efforts.⁸⁰

The Samarinda Corruption Court sentenced M. Zohan Wahyudi to ten years imprisonment and he was ordered to pay around USD 46,135 in fines and a restitution payment of around USD 547,500, with additional penalties for non-compliance.⁸¹ Following appeal, the East Kalimantan High Court reduced the sentence to four years imprisonment while maintaining the fine and restitution obligations. This decision drew public criticism for being disproportionately lenient given the magnitude of state losses. The Attorney General's Office then filed an appeal to the Supreme Court. On 2 August 2023, the Supreme Court granted the prosecution's cassation petition, imposing a revised sentence of eight years imprisonment while maintaining the fine and restitution obligations.⁸²

In June 2024, M. Zohan filed for judicial review (Peninjauan Kembali) at Samarinda District Court, citing formal procedural defects in the cassation decision, including

80. Court decision: Putusan Pengadilan Tipikor Samarinda No. 46/Pid.Sus-TPK/2022/PN S.

81. Court decision: Putusan Pengadilan Tipikor Samarinda No. 46/Pid.Sus-TPK/2022/PN S.

82. Court decision: Putusan Pengadilan Tinggi Kalimantan Timur No. 2/PID.SUS-TPK/2023/PT Smr (Appeal); Putusan Mahkamah Agung No. 2581 K/Pid.Sus/2023 (Cassation).

missing dates and cassation panel designation numbers, and the Supreme Court's failure to consider the counter-cassation memorandum. However, this effort was rejected by the Supreme Court on 29 November 2024.⁸³

Corruption in the procurement of solar power plants

This case involved interference in the procurement of solar power plants for transmigration areas by the Ministry of Manpower and Transmigration, resulting in state losses of around USD 166,000–233,800 from a project valued at around USD 547,500.

In 2008, the Ministry of Manpower and Transmigration implemented a solar power plant procurement project for transmigration areas, valued at approximately IDR 8.9 billion and financed through Special Allocation Funds. Project implementation involved systematic irregularities, however, causing significant financial losses to the state.⁸⁴

Neneng Sri Wahyuni, spouse of the former Democratic Party Treasurer, Muhammad Nazaruddin, was proven to have unlawfully interfered in the procurement process. She actively participated through companies under her control, namely PT Alfindo and PT Sundaya Indonesia, and arranged improper work transfers between contractors in violation of lawful procedures.⁸⁵

The defendant unlawfully interfered in the procurement process through controlled companies, manipulating contractor work transfers in violation of procedures. She allegedly received personal benefits from the project both directly and indirectly. Audit and investigation findings established that the project was not optimally executed, with equipment that should have been installed at transmigration locations remaining uninstalled, resulting in state losses of around USD 166,000–233,800.⁸⁶

These prosecutions show tensions between the central and provincial levels of government over the power to grant mining licenses.

This case emerged during the KPK's investigation of Muhammad Nazaruddin, who had been previously designated a suspect in multiple corruption cases. Through this

83. Supreme Court Decision No. 1706 PK/Pid.Sus/2024 (Judicial Review).

84. Decision of Anti-Corruption Court in Jakarta Pusat No.68/Pid.B/TPK/2012/PN.JKT.PST.

85. Decision of Anti-Corruption Court in Jakarta Pusat No.68/Pid.B/TPK/2012/PN.JKT.PST.

86. Decision of Anti-Corruption Court in Jakarta Pusat No.68/Pid.B/TPK/2012/PN.JKT.PST.

investigation, the KPK discovered the involvement of Neneng Sri Wahyuni, who managed her husband's company. They then discovered she had received and arranged funds from the solar power plant project.

After initially fleeing abroad, Neneng Sri Wahyuni was apprehended by the KPK in June 2012 and detained.⁸⁷ Trial proceedings commenced at the Central Jakarta Corruption Court. During trial, prosecutors presented evidence including project documentation, financial flows, and witness testimony substantiating her involvement and her receipt of corruption proceeds. Defence counsel attempted to refute the charges by arguing the absence of evidence showing funds entering her personal accounts. However, the judicial panel determined that the involvement of Neneng Sri Wahyuni need not be proven through direct financial flows but were sufficiently established through her active role in the project.⁸⁸

On 14 March 2013, the Central Jakarta Corruption Court sentenced Neneng Sri Wahyuni to six years imprisonment and ordered payment of a USD 18,500 fine and restitution of around USD 50,000.⁸⁹ An appeal was filed at the Jakarta High Court. In the appellate decision of 19 June 2013, the appellate panel upheld the six-year imprisonment sentence and fine but increased the restitution amount to around USD 160,000.⁹⁰ This was because the panel found that there were significantly greater state losses than previously understood and established that the accused indirectly benefited from the project through company control.

Neneng Sri Wahyuni subsequently filed cassation to the Supreme Court. However, on 4 December 2013, the Supreme Court rejected the cassation petition and upheld the entire High Court decision. Consequently, the decision became final and binding.⁹¹

Lessons learned

A central dynamic that emerges from these four past cases of prosecutions are tensions between the central and provincial levels of government over the power to grant mining licenses; a power that has been passed back and forth between them in recent years. Our interviews further indicate that, in South, Central, and East Kalimantan, legacy permits from before 2014 were still viable, including within conservation areas, and that when permit governance was returned to the central

87. BBC Indonesia article in Indonesian: *Istri Nazarudin Ditangkap KPK* (BBC, 13 June 2012).

88. Decision of Anti-Corruption Court in Jakarta Pusat No.68/Pid.B/TPK/2012/PN.JKT.PST.

89. Decision of Anti-Corruption Court in Jakarta Pusat No.68/Pid.B/TPK/2012/PN.JKT.PST.

90. Decision of Jakarta Appellate Court No.21/PID/TPK/2013/PT.DKI.

91. Supreme Court Decision No. 1854 K/Pid.Sus/2013.

government in 2019, ecological damage had already been done.⁹² Investigation of such cases is complicated in the absence of rigorous administrative practices by companies. Indeed, nickel mining was later characterised by instances of bribery and regulatory confusion.

92. Interview, 25 June 2025.

Two possibly viable pathways for improving anti-corruption resilience for the energy transition and JETP

The Indonesian government's current approach to anti-corruption is outlined in the National Strategy for Corruption Prevention (Stranas PK)⁹³ implemented through the Presidential Order Action Plans which sets out government workplans. The approach to anti-corruption in the energy transition contained herein is broadly focused on the reduction of state losses through prevention and the recovery of lost assets, which has recently been broadened to encompass ecological rather than merely financial losses. However, the Supreme Court interpretation of the Corruption Crime Law is that investigations for potential enforcement should be limited to cases that have incurred actual state losses, rather than potential losses.

The following section surveys two potentially viable areas for improving anti-corruption resilience by the Indonesian government related to the energy transition and JETP implementation. The first relates to beneficial ownership registration, an effort now led by the Ministry of Mining and Mineral Resources (ESDM),⁹⁴ and the second relates to the Conflict-of-Interest Law enforced by the Corruption Eradication Commission (KPK).

Improving beneficial ownership transparency implementation

The obscuring of beneficial ownership⁹⁵ exacerbates corruption risks including risks of bid rigging, conflicts of interest, tax evasion, and money laundering.⁹⁶ Beneficial ownership (BO) is defined differently in various jurisdictions and sectors. The

93. Previously based on the National Long-Term Development Plan 2005-2024 (The Republic of Indonesia 2007) and the Medium-Term Development plan 2020-2024 (The Republic of Indonesia 2020).

94. PPATK and KPK were the first initiators of beneficial ownership registration policy, with ESDM later issuing a ministerial decree mandating beneficial ownership registration for all natural resource-related companies.

95. There are three main working definitions of 'beneficial ownership', UNCAC article 12, 14 and 52; the UNCAC Technical Guidelines; the FATF Recommendations; and Extractive Industry Transparency Initiative (EITI) Standards (see Lim 2024, 3-4). The OECD categorises different beneficial owners as those in a company, i.e., (1) either a shareholder or member; (2) a partnership, whereby it can include limited or general partners; (3) or beneficial owners in a trust or foundation (Pertwi 2025).

96. UNODC 2020.

extractive industries – which are at high risk of corruption and money laundering – are particularly prone to the concealment of beneficial owners.

In Indonesia, the importance of beneficial ownership transparency came into focus following a corruption case involving the state-owned company PT Timah Tbk on the islands of Bangka and Belitung. With state losses at USD 18.58 billion – a large portion of which was calculated from environmental damage – the profits from illegal business practices were funnelled to senior executives through fake invoices and corporate social responsibility funds, revealing the need for transparency in business management.⁹⁷

However, across Southeast Asia – including Indonesia – authorities continue to face challenges in collecting, verifying, updating, and accessing beneficial ownership information, especially when such information pre-dates regulations and relies on self-declaration, as well as issues of inter-agency coordination and role duplication.⁹⁸ Shell companies and complex corporate structures particularly obscure the ultimate beneficial owners of firms.

The Indonesian government has taken steps to improve beneficial ownership registration and thereby strengthen governance and investor confidence by integrating business registries in a central database.⁹⁹ Presidential Regulation No. 13/2018 defined beneficial ownership of a limited liability company as: a 'natural person' who holds more than 25% of company shares or voting rights; someone who receives more than 25% of company profits; has the right to receive benefits, direct or indirect; or has the right to influence or control the company without authorisation from other parties.¹⁰⁰ Regulations were updated with the Minister of Law and Human Rights Regulation (MLHR) No. 2/2025 which broadened the scope to identify ultimate beneficial ownership (UBO) as including smaller corporate structures as well as emphasising continuous compliance with a window of 30 days to update UBO information and yearly reporting.^{101, 102} The MLHR shares beneficial ownership data with the Directorate General of Taxes (DJP). Civil society access to this data has been helpful in identifying tax irregularities towards the authorities.¹⁰³

The above actions reflect Indonesia's commitment to Financial Action Task Force (FATF) standards. Limitations to these standards, however, include the omission of

97. Jong 2024.

98. UNODC et al. 2024, 2.

99. IGCN 2025.

100. Lim 2024, 12.

101. Assegaf et al. 2025, 2.

102. Updating the Minister of Law and Human Rights Regulation no. 21/2019, which outlined how the government would supervise corporations to make sure they disclosed their beneficial owners. Regulation 2/2025 also requires the submission of a questionnaire, and submitted information is electronically analysed to verify its consistency with other available sources (Assegaf et al. 2025, 2–3).

103. Pratt 2025, 12.

persons with rights to surplus assets, those benefitting from the dissolution of a company, and the omission of references to intermediaries.¹⁰⁴ The definition of beneficial ownership in Indonesia encompasses all entities, including limited liability entities, civil partnerships, sole proprietors and associations, registered in Indonesia.¹⁰⁵ However, the current system has several shortcomings. First, ultimate beneficial ownership regulations do not cover foreign entities.¹⁰⁶ Second, undermining the efficiency of registers, conglomerates have previously been caught listing legal representatives or other corporate entities as beneficial owners.¹⁰⁷ Third, despite financial oversight bodies such as Indonesia's Financial Intelligence Unit (PPATK) being able to access all beneficial owners registered at the Ministry of Law, there are still limitations in the verification process, particularly when false BOs and UBOs are registered. Fourth, sanctions for registering fake beneficial owners are currently merely administrative, rather than criminal, in character.

Improving conflict of interest regulations, monitoring, and sanctioning

Conflict of interest laws in the Indonesian legal system are diffused across legal instruments.¹⁰⁸ Under former President Susilo Bambang Yudhoyono (2004–2014), the Ministry of Administrative and Bureaucratic Reform (PANRB) issued Regulation No. 37/2012 with Guidelines for Managing Conflict – applicable to all government entities – which obligates all holders of political and judicial offices (*pejabat negara*) to report potential conflicts of interest to supervisors. These reports were processed by PANRB. In addition, Law No. 30/2014 on Government Administration defines abuse of authority and links it to the conditions of decision-making which cannot be motivated by personal and business interests, relationships with friends, family, political parties, employees, advisors, or prohibited groups.¹⁰⁹ All civil servants (*aparatur sipil negara*) must report conflicts of interest to their superiors, the reports of which are monitored and verified by the government entity involved as well as the KPK.¹¹⁰ However, Law No. 30/2014 has been criticised for its vagueness and civil society organisations argue that more detail is necessary.¹¹¹ In addition, a

104. Lim 2024, 12.

105. Lim 2024, 20–21; Assegaf et al. 2025.

106. Beneficial ownership for foreign entities may be subject to strict data privacy laws that differ from domestic legislation hampering access and raising data privacy concerns, which is inconsistent across legal entities, even regionally (UNODC et al. 2024, 2).

107. Pratt 2025, 15.

108. Chandranegara and Cahyawati 2023.

109. Chandranegara and Cahyawati 2023, 4.

110. Murray and David-Barrett 2023, 6.

111. Interview, 5 May 2025.

regulation from the Ministry of State-Owned Enterprises (SOEs) mandates that all SOEs should have a conflict-of-interest policy and manage such conflicts.¹¹²

The neutrality of civil servants is also iterated in Law No. 5/2014 on the State Civil Apparatus, which obligates them to be free from influence or the intervention of political parties and prohibits membership in political parties. Despite the existence of these frameworks, Sarnawa¹¹³ shows how the neutrality of civil service members waned under former President Widodo (2014–2024), especially regarding elections of regional government leaders. Civil society organisations have argued that current regulations are too specific in their application to individual branches of government.¹¹⁴ Indeed, despite the number of laws that pertain to conflict of interest, citing the Mining Law of 2020 and the Job Creation law of 2020, Chandranegara and Cahyawati¹¹⁵ argue that current frameworks are fragmented and inconsistent, leading to loopholes. Instead, based on historical precedent and comparative constitutional frameworks, they propose introducing a conflict-of-interest prevention clause back into the Indonesian Constitution.

Legal frameworks on conflict of interest were recently further bolstered by Article 175 of Law No. 6/2023 on Job Creation, as well as the issuing of Regulation No. 17/2024 by PANRB which replaced Regulation No. 37/2012. The new regulation identifies conflicts of interest as arising from financial ties, family and affiliate relationships, side jobs, overlapping positions, revolving doors, and gifts or other benefits. It requires government agencies to set up systems to manage, supervise, sanction, and evaluate conflicts of interest, including a complaint mechanism for suspected violations. Agencies must align with the new rules within six months, while the ministry will launch an IT system to support conflict management within three months.¹¹⁶ The new regulation aimed at closing loopholes in Law No 30/2014, including that if a state official was able to return the loss or repay damage it cannot be considered corruption.¹¹⁷ However, the law has limitations including that it is only applicable to the executive branch and not parliament.¹¹⁸ Despite these developments, the unequal implementation of regulations hampers the management of conflict of interest and the monitoring of violations, particularly among political exposed persons (PEPs) such as state officials, who despite existing mandates (Law No. 30/2002) may still fail to disclose their wealth.¹¹⁹

112. Interview, 11 July 2025.

113. 2018, 44.

114. Interview, 5 May 2025.

115. 2023.

116. PANRB 2024.

117. Garindra 2022.

118. Interview, 5 May 2025.

119. Wedha et al. 2025, 37.

Conclusion: Somewhere between scepticism and optimism

Though potentially important for improving the anti-corruption resilience of Indonesia's energy transition and its engagement with JETP, institutionalised efforts such as those described in the section above are still likely insufficient for fully addressing the concerning signs of state capture in the energy sector. State capture is typically resolved only after prolonged periods of contestation and the emergence of new settlements between political and economic elites, as well as other important societal groups.¹²⁰ Indeed, interviewees highlighted the barriers for progressing existing conflict-of-interest regulations into active implementation. As noted by one:

We already have policies and laws addressing [some aspects of conflict-of-interest], but there are no implementation reports on whether conflict of interest regulations have been applied in the ministry [...]. It is a policy that is not implemented.

The above scepticism regarding the viability of institutionalised conflict of interest controls among several interviewees appears to find its counterpart among the anti-corruption demands of protestors in Indonesia's recent nationwide unrest. At the same time, some interviewees found cautious grounds for optimism in Indonesia's accession process for the OECD as well as its broader integration into regional and global business markets, which may help create some incentives for reform.

120. Jackson et al 2026.

We thank GIZ Indonesia's Energy Programme for hosting the U4 workshop in Jakarta in November 2025 at which initial findings and recommendations were discussed with key state and non-state stakeholders.

GIZ Energy Programme Funding Agencies

Supported by:



Federal Ministry
for Economic Affairs
and Climate Action

IKI



INTERNATIONAL
CLIMATE
INITIATIVE



implemented by:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (IG ZGmbH)

on the basis of a decision
by the German Bundestag

References

- Anugrah, I. 2023. [Land control, coal resource exploitation and democratic decline in Indonesia](#). *Trans - Regional and National Studies of Southeast Asia* 11: 195–2013.
- Assegaf, A.F., Maharani, A.A., Hadi, I, and Hardono, R.I. 2025. [Indonesia updates beneficial ownership disclosure rules: Major changes that will affect every business](#). Indonesia Client Update. Assegaf Hamzah and Partners.
- Bachtiar, H. 2025. [Prabowo's populist war on corruption. Can it really work?](#). Indonesia at Melbourne, August 5.
- Butler, G. 2025. [How the death of a delivery driver ignited Indonesia](#). BBC News (London), September 2.
- Chandranegara, I. S. and Cahyawati, D.P. 2023. [Conflict of interest prevention clause in the constitution: The study of the Indonesian constitution](#). *Heliyon* 9 (3): e14679.
- Clark, D. 2025. [Indonesia: Share of economic sectors in the gross domestic product \(GDP\) from 2013 to 2023](#). Statista, November 28.
- Downs, F. and L. Tacconi. 2013. [Corruption, deforestation and environmental justice: The case of Indonesia](#). In *Looking within: Finding an environmental justice and global citizenship lens*, edited by K. Druffel. Inter-Disciplinary Press.
- Febiola, A. 2025. [Prabowo targetkan energi terbarukan 100 persen, butuh percepatan bangun pembangkit EBT](#). Tempo, July 15.
- Garindra, G. 2022. [Controversial abuse of authority stipulation in government administration law](#). SIP Law Firm, July 14.
- Hadley, S. 2022. [What's the state of play on just energy transition partnerships?](#). MDB Reform Accelerator. November 16.
- Hamdi, E. 2023. [Indonesia dances around taxonomies to mobilize capital for its coal phaseout programs](#). Institute for Energy Economics and Financial Analysis.
- Hamidi, J. 2015. [Management of mining in Indonesia: Decentralization and corruption eradication](#). *Journal of Law, Policy and Globalization* 44: 80–101.
- Harvey, F. 2025. [Trump's USAid cuts will have huge impact on global climate finance, data shows](#). The Guardian, March 10.
- IEA. 2025. [Coal mid-year update 2025: Overview](#). International Energy Agency.
- IGCN. 2025. [IGCN Business Ethics and Governance Working Group explores beneficial ownership transparency in Indonesia](#). September 17.
- Jong, H. N. 2024. [A tarnished reputation](#). Global Initiative against Transnational Organized Crime, September 11.
- Karmini, N. and Arasu, S. 2022. [Indonesia signs \\$20 billion renewable energy bill at G-20 summit](#). PBS, November 15.

- Karyza, D. 2023. [RI eyes building Java-Sumatra power transmission project with JETP funding](#). The Jakarta Post, November 21.
- Kenny, P. and Warburton, E. 2021. [Paying bribes in Indonesia: A survey of business corruption](#). New Mandela.
- Lim, L. 2024. [Implementation of beneficial ownership transparency in ASEAN member states and Timor-Leste](#). UNODC.
- Mietzner, M. 2025. [The limits of autocratisation in Indonesia: power dispersal and elite competition in a compromised democracy](#). Third World Quarterly, 46(2), 153-169.
- Murray, A. and David-Barrett, E. 2023. [Country insights brief: Indonesia](#). Insights Brief No. 05. International Anti-Corruption Academy.
- Nangoy, F. 2023. [Indonesia sets emission target for G-7 funding, lays out investment plan](#). Reuters, November 2.
- Oktafian, I. 2025. [On May Day, Prabowo pledges free education, anti-corruption drive](#). Jakarta Globe (Jakarta), May 1.
- PANRB. 2024. [Nomor 17 tahun 2024 tentang pengelolaan konflik kepentingan](#). November 13.
- Pertiwi, P. 2025. [Know the ultimate beneficial owner, protect your business from hidden risks](#). Integrity Indonesia, February 3.
- Prasetyo, A. and Gunawan, N. 2023. [Indonesia's just energy transition must be transparent and green](#). The Diplomat, June 16.
- Pratt, M.L. R. 2025. [Public purpose: Civil service insights on beneficial ownership data](#). Open Government Partnership.
- SAFTU. 2025. [SAFTU rejects Eskom breakup](#). October 1.
- Sarnawa, B. 2018. [Legal friction of state civil apparatus neutrality in Indonesia](#). Indonesian Comparative Law Review, no. 1: 1.
- Schütte, S.A. 2019. [Why fix KPK when it is not broken?](#). The Jakarta Post (Jakarta), September 27.
- Shah, J. 2023. [Navigating India's energy transformation through JETP approach](#). Saur Energy – International (New Delhi), February 8.
- Shofa, J. N. 2025. [Chinese firm eyes Indonesia's coal gasification in \\$1.2 billion deal](#). Jakarta Globe, July 31.
- Sovacool, B. K. 2021. [Clean, low-carbon but corrupt? Examining corruption risks and solutions for the renewable energy sector in Mexico, Malaysia, Kenya and South Africa](#). Energy Strategy Reviews, 38, 100723.
- Suharsono, A., Hendriwardani, M., Sumarno, T. B., Kuehl, J., Maulidia, M., and Sanchez, L. 2022. [Indonesia's energy support measures: An inventory of incentives impacting the energy transition](#). GSI Report. International Institute for Sustainable Development.
- Suroyo, G. and F. Nangoy. 2023. [Indonesia to omit private coal power plants from its JETP investment plan](#). Reuters, October 31.
- Sweeney, S. 2024. ["Just energy partnerships" are failing](#). Jacobin, May 5.
- Syarif, L.M., 2024. [Political corruption and natural resources management in Indonesia](#), in R. I. Rotberg and F. O. Hampson (eds), [Grand corruption: Curbing kleptocracy globally](#), Routledge, 2024.
- Tanahair. 2024. [Energy subsidy realisation in 2023 swells 6.6 percent, reaching IDR 269.6 trillion](#). January 3.

Tempo. 2024. [Selling influence over the Medan block](#). (Jakarta), October 30.

The Republic of Indonesia. 2007. [Law No. 17/2007 on long-term national development plan of 2005-2025](#).

The Republic of Indonesia. 2020. [The national medium-term development plan for 2020-2024: Appendix 1 of Presidential Regulation 18/2020](#).

UNODC, Open Ownership, STAR, and MLHR. 2024. [Advancing anti-corruption efforts in Southeast Asia through beneficial ownership transparency: Outcomes document](#).

Verriere, J. 2023. [Energy connectivity in ASEAN](#). Executive Brief. Enerdata.

Warburton, E. 2024. [Private power and public office: The rise of business politicians in Indonesia](#). *Critical Asian Studies*, 56(2), 184-206.

Wedha, Y.Y., et al. 2025. [Unraveling the complex policies regulating conflicts of interest and criminal corruption](#). *Journal of Human Rights, Culture and Legal System* 5 (1): 33–59.

Williams, D.A. and Forster, R. 2025. [Unrest in the world's third largest democracy](#). U4 Anti-Corruption Resource Centre, September 10.

Winston, T. 2024. [Stability at what price? Indonesia's corruption and reform dilemma](#). *Global Asia* 19 (3).

About the authors

Robert Forster

Robert Forster is an adviser with U4, specialising in governance and addressing unequal development, with a regional focus on the Middle East. His work at U4 centers on anti-corruption efforts related to climate, environmental management, and natural resource extraction.

Aled Williams

Aled Williams is a political scientist and senior researcher at Chr. Michelsen Institute and a principal adviser at the U4 Anti-Corruption Resource Centre. He is responsible for U4's thematic work on *corruption in natural resources and energy*, and holds a PhD from SOAS, University of London, on political ecology of REDD+ in Indonesia.

Lakso Anindito

[Lakso Anindito](#) is Indonesia Team Leader at the Basel Institute on Governance.

Amanda Cabrejo le Roux

[Amanda Cabrejo le Roux](#) is Deputy Director, Green Corruption at the Basel Institute on Governance.

Keywords

anti-corruption agencies – beneficial ownership – carbon emissions – critical minerals – money politics – oligarchy – political finance – rule of law – solar energy – state capture – Indonesia – South-East Asia – Asia

How to cite

Forster, R.; Williams, A.; Anindito, L.; Cabrejo le Roux, A. 2026. Addressing conflicts of interest and corruption in Indonesia's energy transition. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute (U4 Issue 2026:04)

Publication

First published 24 February 2026

Disclaimer

All views in this text are the author(s)', and may differ from the U4 partner agencies' policies.

Cover photo

Gita Aulia / Flickr.com – license: CC-BY-NC-ND

<https://www.flickr.com/photos/geothermalresourcescouncil/20772519481/>

Creative commons

This work is licenced under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International licence (CC BY-NC-ND 4.0)



U4 partner agencies

German Federal Ministry for Economic Cooperation and Development – BMZ

Global Affairs Canada

Ministry for Foreign Affairs of Finland

Ministry of Foreign Affairs of Denmark / Danish International Development Assistance – Danida

Norwegian Agency for Development Cooperation – Norad

Swedish International Development Cooperation Agency – Sida

Swiss Agency for Development and Cooperation – SDC

UK Aid – Foreign, Commonwealth & Development Office

Corruption erodes sustainable and inclusive development. It is both a political and technical challenge. The U4 Anti-Corruption Resource Centre (U4) works to understand and counter corruption worldwide.

U4 is part of the Chr. Michelsen Institute (CMI), an independent development research institute in Norway.

U4 ANTI-CORRUPTION
RESOURCE CENTRE