

# Indonesia – Finland Finalized the €4.1 Million of New Energy Project

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DGNREEC – Indonesia Government & Finland finalized the cooperation in utilization and process of €4.1 billion new and renewable energy project. Finalization of this project also means the closure of Energy and Environment Partnership Program (EEP).

The Ambassador of Finland for Indonesia, Päivi Hiltunen-Toivio said that EEP Program had been started since 2011 and finalized on this year. In this Program, Finland Government had given €4.1 Million grant fund. By the fund, the total of 22 new renewable energy projects successfully worked.

“The Aims of EEP Program had achieved by established of 22 projects, start from the pilot project, small capacity, communal, to the industry level. In this program also implemented the capacity building”, he said at Jakarta, Tuesday, November 25<sup>th</sup>, 2014.

This EEP Program had been implemented under the implementation agreement between Finland Government and Indonesia which signed on February 14<sup>th</sup>, 2011. The long term of this project is 3 years with € 4.1 million grant fund. This program is assessment and implementation of new and renewable energy, especially Bio-energy at Riau and Central Kalimantan Province.

Due to the 22 total projects that have been completed, the 14 projects located in Riau Province and 8 project in Central Kalimantan. The 22 projects are feasibility studies for investment, demonstration projects, industry-based projects, and capacity building projects.

In addition, some biogas projects that has been worked is biogas digester for 51 households in 8 villages, electricity integrated biogas reactor for the community, and training for villagers to build and maintain the biogas systems. Regarding to the industrial sector, 5 feasibility studies of 5 MW oil palm biomass power plant has conducted in Central Kalimantan, 2 MW POME biogas power plants in Riau, and sanitary landfill for producing gas to 3 MW electricity supply in Riau.

At the same time, Director General of DGNREEC of MEMR, Rida Mulyana assessed EEP program is very good and can be emulated by other regions, including internal local government as the project site. Central Kalimantan and Riau have big potential in bio-energy, and the EEP program only provides the starting point. "We also want to invite some banks which could provide funding assistance business to business in the future," he said.

He said, potential utilization efforts and enhancement of national energy supply capacity is really needs to encourage the investment. Acceleration of new and renewable energy development has role in government plan to increase 35 thousand MW power plant capacities.

Bio-energy can be a mainstay in particularly, because the construction period is quite short. However, due to the capacity of power plant does not big, bio-energy projects must be worked sporadically and massive. Rida said, the sustainability of the Projects that have been

finished must be got maintained. Furthermore in the future, the new project should be developed.

Therefore, I hope, even the EEP Program had finished, the cooperation with Finland still can be continued. We rely on Finland to develop 32 thousand MW bio-energy potential”, he said.

Rida said, Indonesia unable yet to develop the all potential, considering the financial condition and the availability. Therefore, the funding from other country is still needed, especially to accelerate additional of national power plant capacity from new and renewable energy.

Regarding to that matter, Hiltunen-Toivio said that Finland government would love to continue to work with Indonesia. However, they need to know about Indonesia new government policy first.

"Of course we want to continue the cooperation, but we have not decided yet what kind of cooperation that we want to build next, because Indonesia just has a new government. We want to see first", he explained. However, he added, investment in Indonesia is quite interesting with many potential and conducive investment climates. "Many Finnish companies are investing a lot here," said Hitunen.