



Indonesian Green Entrepreneurship Programme (IGEP)

Terms of Reference

*Indonesian Green Entrepreneurship Forum
8 May 2013, Jakarta*

Background

Indonesia with more than 237 million people in February 2012, it faces 6.32% unemployment rate and 11.6% poverty rate (BPS, 2012). The higher portion of unemployed is youth. Entrepreneurship has been selected as a strategic way to reduce unemployment, poverty reduction and inequality in Indonesia. President of Indonesia launched the national program on entrepreneurship almost a decade ago (see President instruction number 04/1995). Since then, there are about 17 ministries promotes entrepreneurship in various approaches, including trainings, access to finance, and/or exhibition, which can be selected autonomously by each ministry. However, until now, there number of entrepreneurs in Indonesia has not been reaching 2% of the population. The results of each ministry program vary, in which the multi stakeholder consultation found that there is lack of join action to promote entrepreneurship, means that the current entrepreneurship program is an independent program, and it is also mainly focuses on economic aspect.

Beside the employment challenge, Indonesia also faces environmental challenge. Until 2010, Ministry of Energy and Mineral reports that more than 50% of the energy used in Indonesia are sourced from oil mining and coal, which are non renewable. This energy is used for industry, transport and household with 44%, 36% and 11% of energy consumption respectively (Ministry of Energy and Mineral, 2011). Indeed, beside the energy used, the industry, transports and households are the major source of pollution in Indonesia (Ministry of Environment, 2009). At the G-20 meeting at Pittsburgh, the President of Indonesia commits to reduce CO₂ by 26% with own initiative and up to 41% with international supports by 2020.

The ILO responded to the will and provided technical assistance through the Green Jobs Project in Asia from 2010 – 2012. Tourism sector was selected as the pilot sector. Through the assistance on green business (green homestay) and competency standards (eco-

tour guide), the project found that a green entrepreneurship program, a program can response to social, economic as well as environment concerns concurrently, is needed. Such program may need to cover both technical and managerial aspects and include other sectors along value chain.

The Indonesia Green Entrepreneurship Program will assist the national Government in reducing unemployment and reducing GHG by creating new green entrepreneurs in various sectors of the economy in Indonesia. As part of the program, there are several activities that will be undertaken in Indonesia and one of them is to organize an IGEP forum with relevant national stakeholders in Indonesia. Furthermore, as part of the MoU between ILO and the Bank of Indonesia the organization of the IGEP forum shall be a joint initiative between the ILO and the Bank of Indonesia, where, both institutions will share resources.

Activities

A one day IGEP Forum will be organized in Jakarta to promote and advocate green entrepreneurship to relevant stakeholders in Indonesia. Various resource persons and experts will share information and experiences on various entrepreneurship programs and green entrepreneurship in Indonesia which will cover a wide range of topics on green jobs, existing entrepreneurship programs, green entrepreneurship, access to finance and relevant government policies that would support green entrepreneurship in Indonesia.

Objectives

The objectives of the IGEP Forum are to:

1. Share experiences of national stakeholders on entrepreneurship in various sectors.
2. Facilitate the dissemination of information on Indonesian Green Entrepreneurship Program.
3. Share ideas on how to further create and promote the Indonesian green entrepreneurship program and identify financial modalities.
4. Identify existing government policies that could support the creation and promotion of Green entrepreneurs.

Organization

The IGEP Forum is the responsibility of the Bank of Indonesia and the Indonesian Green Entrepreneurship Program (IGEP) in the ILO Jakarta Office.

Approximately 40 participants will be invited from government, employers' and workers' representatives and relevant stakeholders of NGOs, donors, university and research institutions as well as mass media.