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Gender Assessment Report

GCF-KDB Programme: Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in Other ASEAN Member States

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We look forward to continuing this collaboration with all our partners. The findings of this report, though focused on Indonesia, lay the groundwork for replication and knowledge sharing across ASEAN Member States toward a more inclusive and sustainable energy future for the region.

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LIST OF ABBREVIATIONS

ACE	ASEAN Centre for Energy
ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
BCA	Bank Central Asia
BNI	Bank Negara Indonesia
BRI	Bank Rakyat Indonesia
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
DNTG	National Gender-Disaggregated Data
EE	Energy Efficiency
EIB	European Investment Bank
EIF	Entrepreneurship and Innovation Facility
ESCAP	Economic and Social Commission for Asia and the Pacific
ESG	Environmental, Social, and Governance
ESMAP	Energy Sector Management Assistance Programme
EU	European Union
FGD	Focus Group Discussion
FLFP	Female Labour Force Participation
GAP	Gender Action Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GGI	Gender Gap Index
GII	Gender Inequality Index
GISCO	Green Industry Service Company
GRPB	Gender-Responsive Planning and Budgeting
GRI	Global Reporting Initiative
IEE	Industrial Energy Efficiency
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
INDEF	Institute for Development of Economics and Finance

KDB	Korea Development Bank
Kemenperin	Ministry of Industry
KESDM	Ministry of Energy and Mineral Resources
KMU	Micro Business Loan
KPI	Key Performance Indicator
KPPPA	Ministry of Women Empowerment and Child Protection
KRW	Korean Won
KTP	Resident Identity Card
KUR	Kredit Usaha Rakyat
KWDI	Korean Women's Development Institute
LFPR	Labour Force Participation Rate
LJK	Financial Service Institution
MIS	Management Information System
MoWECP	Ministry of Women Empowerment and Child Protection
MSMEs	Micro, Small, and Medium-sized Enterprises
MSS	Ministry of SMEs and Startups
NBFI	Non-Bank Financial Institution
NFLS	National Labour Force Survey
NPL	Non-Performing Loan
NPWP	Taxpayer Identification Number
NZE	Net Zero Emission
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OJK	Financial Services Authority
PNM	State-Owned Capital Corporation
POJK	Financial Services Authority Regulation
PPA	Plano Plurianual
PPSK	Development and Strengthening of the Financial Sector
PUG	Gender Mainstreaming
RAKB	Sustainable Finance Action Plan
RAN	National Action Plan
RE	Renewable Energy
RPJMN	National Medium-Term Development Plan
RPJPN	National Long-Term Development Plan
SAKERNAS	National Labour Force Survey

SDGs	Sustainable Development Goals
SDT	Sector-Agnostic Decision Tree
SEMS	Social and Environmental Management Systems
SLL	Sustainability-Linked Loan
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
STEM	Science, Technology, Engineering, and Mathematics
SUSENAS	National Socio-Economic Survey
TJSL	Corporate Social Responsibility
TKBI	Indonesian Sustainable Finance Taxonomy
TPKS	Sexual Violence
UMi	Ultra Micro
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
USD	United States Dollar
We-Fi	Women Entrepreneurs Finance Initiative
WEF	World Economic Forum
WSME	Women-owned Small and Medium Enterprise

EXECUTIVE SUMMARY

This gender assessment report examines the integration of gender considerations within industrial energy efficiency financing mechanisms in Indonesia, focusing on three key stakeholder groups: regulatory bodies, financial institutions, and industrial enterprises. The assessment forms part of the broader Gender Action Plan (GAP) under the GCF-KDB Programme, which aims to support innovative mechanisms for industrial energy efficiency financing in Indonesia whilst providing lessons for replication across ASEAN member states.

Key Findings:

The assessment reveals both progress and persistent challenges in Indonesia's gender landscape. While the country has made notable advances in several areas of gender equality, significant disparities remain, particularly in employment, financial access, and political representation. Indonesia's Gender Gap Index improved from 0.65 in 2006 to 0.686 in 2023, though global ranking has stagnated as other countries progress faster. The Gender Inequality Index shows improvement from 0.544 in 2006 to 0.423 in 2023, yet Indonesia ranks 108th globally, considerably lower than regional neighbors like Singapore (8th) and Malaysia (47th).

Critical gender gaps persist across multiple dimensions. Female labour force participation remains stagnant at 53.4% compared to 82.2% for men, with women earning an average salary of IDR 2.61 million compared to IDR 3.37 million for men. Women hold only 21.6% of legislative seats, falling short of the 30% gender quota. In the energy sector specifically, women account for merely 5% of decision-makers. However, women's representation in managerial positions has increased from 22% in 2015 to 35% in 2024, and women comprise 49.46% of MSME ownership, nearly achieving parity with male-owned enterprises.

Within institutional contexts, the assessment identifies significant variations in gender mainstreaming approaches. Regulatory bodies demonstrate growing recognition of gender equality as fundamental to sustainable development yet face challenges in translating high-level policy commitments into operational frameworks. The Ministry of Women's Empowerment and Child Protection (KPPPA) emphasise social protection and quality of life, whilst the Ministry of Energy and Mineral Resources (KESDM) focuses on women's representation in decision-making. The Ministry of Industry (Kemenperin) highlights opportunities for women's participation in industrial decarbonisation, and the Financial Services Authority (OJK) underscores equitable access to finance through sustainable finance frameworks.

Financial institutions show increasing business-driven appreciation for gender-responsive finance, recognising that women entrepreneurs demonstrate superior credit performance with lower non-performing loan ratios. However, progress remains hampered by definitional ambiguity regarding women-owned enterprises, insufficient gender-disaggregated data systems, and absence of regulatory incentives comparable to those available for green finance.

Industrial enterprises present a spectrum of gender integration experiences, from male-dominated sectors grappling with structural barriers to women-led businesses that have positioned inclusivity as their competitive advantage. Whilst many enterprises have implemented gender-friendly policies including flexible working arrangements and childcare support, these efforts are often constrained by financial limitations, particularly among small and medium enterprises.

Critical Gaps Identified:

The assessment identifies several critical gaps that impede effective gender mainstreaming. Regulatory frameworks lack specific operational guidelines for implementing gender considerations within energy efficiency financing contexts. Data collection systems remain inadequate for systematic gender impact assessment. Capacity building initiatives require strengthening across all stakeholder groups, particularly in gender-responsive methodologies and technical expertise.

Strategic Recommendations:

The report recommends a multi-pronged strategy focusing on policy harmonisation, data-driven innovation, and capacity building. Regulatory bodies should embed explicit gender indicators within key national strategies, including industrial decarbonisation roadmaps and sustainable finance operational guidelines. Financial institutions must integrate gender analysis into due diligence processes for energy efficiency projects and develop alternative lending methodologies that address women entrepreneurs' unique barriers. Industrial enterprises should formalise gender-inclusive workplace policies and embed gender considerations into energy efficiency project design to enhance bankability.

Implementation Pathway:

Success requires coordinated action across institutional boundaries, with particular attention to addressing time poverty experienced by women and shifting entrenched gender norms through comprehensive education and awareness programmes. The pathway forward emphasises moving from fragmented initiatives towards a cohesive ecosystem that unlocks women's potential as key agents in Indonesia's transition to a more energy-efficient and equitable industrial future.

Chapter 1

Introduction

1.1 Background

Energy efficiency in the industrial sector represents a vital component of sustainable development and constitutes a key strategy for reducing greenhouse gas emissions. As industrial energy demand continues rising, particularly in emerging economies such as Indonesia, efforts to scale up energy-efficient technologies have gained unprecedented urgency. These technologies not only help mitigate climate change but also improve industrial productivity and competitiveness. Despite their promise, the adoption and financing of energy efficiency measures face persistent challenges, including limited access to capital, regulatory and institutional bottlenecks, and insufficient awareness and technical capacity among stakeholders (Green Climate Fund, 2019).

Indonesia, as one of Southeast Asia's largest economies and a rapidly industrialising country, plays a central role in regional climate action. The country's industrial sector represents one of the fastest-growing contributors to national emissions, making the acceleration of energy efficiency technology uptake a national priority. Yet market penetration remains slow due to financing constraints and structural weaknesses in policy and governance frameworks.

Within this context, gender considerations have emerged as a critical yet often overlooked dimension of energy efficiency project design and financing. Gender constitutes more than a peripheral issue; it influences access to finance, policy outcomes, investment behaviour, and the equitable distribution of benefits. In energy efficiency financing, gender dynamics determine who accesses financial products, who participates in decision-making processes, and who ultimately benefits from energy savings and improved economic returns. Failing gender consideration, Indonesia impedes the development of necessary pool of talents and leadership to accelerate energy efficiency adoption. Therefore, mainstreaming gender in energy efficiency initiatives can enhance both equity and effectiveness outcomes.

However, women remain under-represented in key decision-making roles across financial institutions, regulatory bodies, and industrial enterprises. They are also less likely to access industrial financing or play leadership roles in energy efficiency project design and implementation (World Bank, 2022). These inequalities can hinder the success and sustainability of energy efficiency programmes. Therefore, this study aims to conduct comprehensive gender assessments of financial institutions, regulatory bodies, and industrial enterprises. This assessment intends to provide better understanding of the current landscape and progress on gender integration in energy efficiency financing mechanisms and enhance gender-responsive regulatory frameworks in Indonesia's industrial sector.

1.2 Global Context and International Initiatives

The international development community has increasingly recognised the critical intersection between gender equality and climate finance (ILO, 2022; WEF, 2024). Gender mainstreaming has become central to the Green Climate Fund's objectives and guiding principles, including through engaging women and men of all ages as stakeholders in the design, development, and implementation of strategies and activities to be financed (Green Climate Fund, 2019).

Empirical work demonstrates that companies with greater board gender diversity are 60% more likely to reduce the intensity of energy consumption, 39% more likely to reduce greenhouse gas emissions, and 46% more likely to reduce water use (Altunbas et al., 2022). These reductions are attributed to the fact that greater gender diversity, particularly among board members and managers, enhances environmental oversight and promotes a broader range of perspectives in decision-making, leading to stronger sustainability commitments. Furthermore, research indicates that a 1% increase in the share of female managers leads to a 0.5% decrease in CO_2 emissions, whilst lending volumes to more polluting industries are 10% lower when banks have at least 37% membership of women on their boards (Altunbas et al., 2022).

In the ASEAN context, a roadmap has been launched to incorporate a gender-responsive approach specifically for renewable energy policymakers. However, several challenges have been identified: there is limited data and awareness regarding the connection between renewable energy and gender, which hampers a science-based approach to addressing the issue. Additionally, there are low job opportunities and social environments that are generally indifferent to gender considerations. Furthermore, the existing educational, social, and cultural norms are often unsupportive, and access to financing remains limited (ASEAN Centre for Energy, 2022).

1.3 Scope of Work and Deliverables

The gender assessments of financial institutions, regulatory bodies, and industrial enterprises represent the initial stage of implementing gender action plan (GAP) for supporting innovative mechanisms for industrial energy efficiency financing in Indonesia. The main deliverables of the GAP for the first year include: 1) Gender Assessment for financial intermediaries, regulatory bodies, and industrial enterprises; 2) Gender Guidelines; and 3) Gender Monitoring Framework. Therefore, this assessment aims to promote gender-inclusive industrial energy efficiency financing in Indonesia.

In implementing the GAP, there are five key components in the scope of work: **First**, conducting gender assessments of financial institutions, regulatory bodies, and industrial enterprises. **Second**, developing gender-sensitive policies, guidelines, and financing frameworks. **Third**, designing and implementing gender-responsive training programmes. **Fourth**, ensuring active participation of women in consultations and training sessions. **Fifth**, establishing monitoring mechanisms for tracking gender-related project outcomes.

Recognising that sustainable development requires the meaningful participation of women and marginalised groups, this gender assessment report covers financial institutions, regulatory bodies, and industrial enterprises as key players to support gender-inclusive energy efficiency financing. This assessment will contribute to a comprehensive framework that integrates gender considerations into financial systems, regulatory policies, and industrial practices that will serve as case studies and lessons learned for replication in other ASEAN member states. To ensure the guideline is effective and applicable, it will be actively promoted to participating financial institutions and industrial enterprises in Indonesia, with the GCF-KDB Programme monitoring follow up actions at mid-term stage and at the end of Year 7.

1.4 Methodology and Limitations on Gender Action Plan (GAP)

The Gender Action Plan (GAP) sets out a framework to implement the recommendations of the gender assessment. A GAP represents a roadmap for an institution or organisation to become more gender-responsive and transformative by integrating gender equality into its policies, practices, and operations. This approach aligns with established international frameworks for gender mainstreaming in development finance and industrial programmes.

According to UNIDO (2019), gender action plans tackle inequalities identified in three main dimensions for gender mainstreaming in institutions, namely structural, personnel, and output dimension. The structural dimension focuses on integrating a gender perspective in policies and procedures. The personnel dimension focuses on improving gender equality competencies and gender-balanced representation. The output dimension aims to contribute to positive external change towards gender equality through the institution's results, services, and products.

The Asian Development Bank (2016) emphasises that gender action plans can include actions to address gender inequalities that are observable and measurable, such as the gender pay gap and the under-representation of women in technical and leadership roles. They can also address subtle inequalities embedded within the culture of an institution, such as gender stereotypes and biases that shape expectations in the workplace, including perceiving men as not taking parental leave or women as being less interested in leadership roles. Additionally, GAPs should recognise intersecting inequalities, acknowledging that gender interacts with characteristics such as age, socioeconomic situation, disability, race, ethnicity, religion, and rural or urban location.

The Energy Sector Management Assistance Program (ESMAP, 2018) outlines several stages to develop a GAP. First, conducting a comprehensive gender assessment which includes gender equality gaps analysis. Second, outlining the gender equality goals the institution aims to achieve and the specific actions to carry out to address the gender gaps. Third, presenting the timeframe and human and financial resources for implementation. Fourth, describing procedures for monitoring and evaluating progress.

This gender assessment report, as part of the GAP, utilised qualitative assessment methodology analysis, including desk study for literature reviews on existing gender policies, financial regulations, and industrial gender inclusion frameworks. Literature review offers a critical examination of existing theories, frameworks, and practices related to gender and energy financing. In addition, in conducting the desk study, secondary data from statistical reports as well as Environmental, Social, and Governance (ESG) reports were collected. For primary data collection, in-depth interviews were arranged for the gender assessment activities.

At the development of the gender assessment stage, several activities were conducted to assess the existing condition of gender integration in regulatory bodies, financial intermediaries, and industrial enterprises. The first phase involved preliminary surveys or FGDs for gender assessment development. This phase focused on collecting baseline information through surveys or focus group discussions conducted during workshops organised by the ASEAN Centre for Energy (ACE) in May 2025, attended by Financial Services Authority (OJK), Ministry of Energy and Mineral Resources (KESDM), numbers of local Financial Intermediaries, and Industry Enterprises. These discussions served as the foundation for the Gender Assessment and aimed to explore basic knowledge and perceptions of stakeholders regarding industrial energy efficiency financing, gender inclusivity, and access to finance; existing policy support that enables or hinders gender inclusion in financing mechanisms; and opportunities and challenges in mainstreaming gender within energy financing processes.

The findings from this phase were crucial for identifying gaps in awareness, policy, and institutional capacity, and informed the development of guidelines and strategies in subsequent stages. Based on the initial findings, the second phase involved conducting a gender assessment for key stakeholder groups, including regulatory bodies, financial intermediaries, and industrial enterprises.

Several key regulatory bodies were examined, focusing on ministries and government institutions responsible for gender inclusiveness, financial sector, and industrial sector. These include the Ministry of Women Empowerment and Child Protection (KPPPA), Financial Services Authority (OJK), Ministry of Industry (Kemenperin), and Ministry of Energy and Mineral Resources (KESDM). In-depth interviews with key persons in each ministry were conducted for data collection regarding existing policies on gender inclusivity in financing energy efficiency and several challenges and opportunities in policy implementation.

The gender assessment for financial institutions also utilised primary data collection from in-depth interviews with financial institutions, including banks and non-bank institutions. Information on existing financial institution design, gender-sensitive credit assessments and inclusive financial products, gender-sensitive financial products for energy efficiency projects, and access to financing for women-owned entrepreneurs were important for the assessment.

Other important key stakeholders for this gender assessment were industrial enterprises as key recipients of energy efficiency financing. In-depth interviews were conducted to gather information from business perspectives regarding gender-related internal policies and workforce dynamics; gender-related barriers in accessing energy efficiency financing; awareness and engagement in energy efficiency practices; challenges in integrating gender perspectives into energy efficiency financing programmes; and gender-sensitive regulatory and policy support for energy efficiency.

The results of the analysis for gender assessment of the key stakeholders will be instrumental in developing comprehensive gender guidelines that integrate gender into policy design, enforcement, and monitoring. This will foster an enabling environment for inclusive finance. Furthermore, a gender-inclusive energy efficiency financing framework will be developed, serving as a strategic reference that integrates policy, financial, and institutional approaches into a cohesive system.

However, one of the limitations of these in-depth interviews was that the list of individual financial institutions and industrial enterprises remains confidential and non-disclosable due to the interview agreement and arrangement. Additionally, following UNIDO (2020) guidelines, the assessment acknowledges that gender mainstreaming requires long-term commitment and continuous adaptation based on evolving contexts and learning from implementation experiences.

Overall, the structure of the report follows a logical flow from context-setting and methodology to analysis and global comparison. It is designed to be accessible to policymakers, practitioners, and financial institutions, providing them with a strong evidence base for developing inclusive and effective energy efficiency financing strategies. This gender assessment report is structured to provide a comprehensive and logical foundation for assessing gender equality in industrial energy efficiency financing, divided into five parts: Introduction; Contextual Overview; Practices on Gender Inclusive Financing: Cross-country Comparisons; Gender Assessment and Analysis; and Conclusions and Recommendations. Each section is carefully organised to build understanding and guide the reader through the rationale, context, methodology, and key concepts that shape the overall assessment.

Chapter 2

Contextual Overview

2.1 Why Gender Matters?

Gender equality is defined by the United Nations as the absence of discrimination in opportunities based on a person's sex, the allocation of resources and benefits, or access to services. This may include equal treatment or different but considered equal treatment in terms of rights, benefits, obligations, and opportunities. Gender equality represents more than merely a social justice concern; it constitutes a fundamental pillar for sustainable and inclusive economic development, enabling the full participation of all individuals in economic and social life. It refers to a condition in which individuals of all genders enjoy equal rights, responsibilities, and opportunities across various sectors, such as education, health, employment, and political participation without facing discrimination or systemic barriers (United Nations Women, 2001). By ensuring that everyone, regardless of gender, can contribute equally to and benefit from development processes, gender equality strengthens productivity, fosters innovation, and promotes more equitable and resilient societies.

Figure 1. Forms of Gender Inequality

Source: Munti et al. (in Jalastoria, 2021)

Conversely, gender inequality represents the unequal treatment of individuals based on their gender, arising from differences in socially constructed gender roles within society. Gender inequality encompasses the injustice that arises from the societal assignment of distinct roles and characteristics to male, female, and intersex individuals. Gender differences are socially constructed, meaning they can change over time, although they are often mistakenly perceived as inherent or natural traits. Gender inequality, a form of social discrimination, manifests in diverse ways, affecting access to education, workplace opportunities, healthcare, and social and political participation. Forms of gender inequality include subordination, gender-based violence, marginalisation, excessive burden and workload, and societal stereotypes that limit individuals based on their gender.

In Indonesia, gender inequality in the energy sector manifests in under-representation of women in decision-making, disparities in employment in technical roles, and unequal access to benefits from energy policy. Despite women constituting a substantial part of the population and household roles that engage with energy (e.g. cooking, energy efficiency decisions), they occupy only about 5% of decision-making positions in the energy sector and have much lower representation in engineering and STEM-based roles. Only about 12% of women work in STEM-related sectors, especially in low-carbon industry. This is lower than in other ASEAN countries. Women also face a significant salary gap; for example, in 2022 the monthly wage difference between men and women in STEM-related energy roles was reported as 22.4% (Vivi Alatas et al., 2022). Cultural norms, limited access to training, expectation to balance family and work, and recruitment biases further restrict women's professional advancement. At the household and community level, women—especially in poor or rural households—often bear disproportionate burdens from energy poverty (e.g. costs, health risks, time spent gathering fuel, or lack of clean cooking) and are less likely to benefit fully from subsidies or clean energy access due to gaps in policy design.

Economic Rationale for Gender Equality

Promoting gender equality has a profound impact on increasing women's labour force participation and national productivity. An indicator for gender equality in the labour force is particularly through equal pay between women and men at the workplace. The World Economic Forum's 2024 report reveals that approximately 87.2% of EU countries have implemented regulations on equal pay, which are consistent with higher rates of female labour participation in the region (WEF, 2024). This implies that establishing robust legal frameworks that promote wage equality is essential in motivating more women to enter the formal workforce.

The Equal Pay Law not only promotes social justice but also yields substantial economic advantages. When women feel confident that they will receive fair compensation, they are more likely to invest in their education, upskill, and pursue professional careers. This expansion of the productive labour pool and the promotion of workplace diversity of ideas ultimately contribute to national productivity.

For the case of Indonesia, the potential economic benefits of increasing female labour force participation are significant. The World Bank (2020) estimated that improvements in women's workforce participation, greater investment in the care economy, and enforcement of equal pay laws could contribute an additional USD 135 billion—or 9% of GDP—by 2025. The International Labour Organisation (ILO) projects that such strategies could generate 10.4 million new jobs in the highly feminised care sector. Furthermore, the OECD (2024) reports that increasing female employment could boost Indonesia's GDP per capita growth by 0.22% annually and substantially reduce poverty.

However, only 40% of East Asian and Pacific countries, including Indonesia, have equal pay laws. This gap hinders women's full participation in the formal economy. This also implies that Indonesia needs stronger legal and institutional support, along with social and educational empowerment to ensure fair treatment and opportunities for women at work.

Beyond regulation, women's participation in Indonesia's formal workforce is shaped by cultural expectations and structural barriers. Traditional gender norms often assign women the primary role of caregivers, limiting their ability to engage fully in paid work. Structural constraints such as limited access to affordable childcare, unequal access to training, and persistent gender bias in recruitment and promotion further hinder women's participation and career advancement in enterprises —including in the energy sector. According to the World Bank, Indonesia's female labour force participation remains at 53% in 2023, considerably lower than men's 83%, largely due to these socio-cultural and structural factors (World Bank, *Labour Force Participation Rate, Female*). Meanwhile, a UNDP–ADB study highlights that entrenched gender stereotypes and lack of supportive workplace policies contribute to women being underrepresented in leadership and decision-making roles in Indonesia's energy transition (UNDP & ADB, *Gender and Energy Transition in Indonesia*, 2021).

Implementing gender equality in the energy programmes is not just socially imperative, it has personal, economic and sustainability benefits. For instance, gender-responsive energy subsidy reforms, especially for liquified petroleum gas (LPG), can reduce the time women spend cooking or collecting fuel. Some policies are estimated to reduce cooking times by between 8 to 61 minutes per day, and fuel collection time by up to 4 hours per week. This frees time for other productive or leisure activities policies. the UNDP study of 122 non-financial companies found that having women on boards had a significant positive effect on carbon emission disclosure. It suggests that increasing female representation in boardrooms and committees can help enterprises reduce environmental risk, improve transparency, and align more closely with ESG expectations. McKinsey (2020) reported that companies in the top quartile for gender diversity on executive teams were 25% more likely to experience above-average profitability compared to those in the bottom quartile. Moreover, in an ILO survey of 400 companies, 77% of enterprises reported marked improvements from gender equality initiatives: 66% noted increased profitability, productivity, innovation; 61% said their ability to attract and retain talent improved; over half saw a boost to their brand reputation. (ILO, 2020).

2.2 Regulatory Landscape of Gender Equality in Indonesia

Indonesia has established a multi-level legal and policy framework aimed at promoting gender equality, beginning with constitutional provisions and extending to sectoral laws and national development policies.

Key Regulatory Frameworks

The 1945 Constitution of the Republic of Indonesia, as the country's highest legal authority, does not explicitly mention the terms "gender" or "women," but includes general provisions that have been interpreted to support gender equality. Article 27 affirms that "all citizens shall have equal status accorded by law and the government and are obliged to respect the law and government without exception; and each citizen shall be entitled to work and to have a reasonable standard of living" (Cornell Law School, n.d.). Article 28I reinforces this by ensuring the protection of human rights. Although the Constitution does not directly refer to gender, its use of inclusive language—such as "every citizen" or "every person"—has been broadly interpreted to cover gender-related rights and protections. These constitutional provisions form the general legal basis from which more specific gender-related legislation and policies have been developed. The realisation of gender equality in practice depends in part on how consistently and comprehensively these broad guarantees are interpreted and applied.

Law No. 39 of 1999 on Human Rights builds upon Indonesia's constitutional framework by explicitly incorporating the rights of women within the broader scope of human rights protections. Article 45 affirms that women's rights are part of human rights, reinforcing the general principle of legal equality. The law further outlines specific provisions, including guarantees for women's representation in all branches of government (Article

46), the right to education at all levels (Article 48), and protections related to employment and workplace rights (Article 49) (National Commission on Human Rights, n.d.). By specifying these rights, the law supplements general non-discrimination provisions and provides a clearer legal framework for the advancement of gender equality. This approach contributes to the recognition of barriers that may be experienced differently by women and integrates gender-specific protections into the overall human rights system.

Indonesia ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) through Law No. 7 of 1984, thereby formally adopting the international standard on gender equality into its national legal system (Maret, 2024). This ratification represents a commitment to address discrimination through legal, policy, and institutional measures. The preamble to Law No. 7 of 1984 emphasises that discrimination against women is incompatible with *Pancasila* and the 1945 Constitution, framing Indonesia's international obligations within its national philosophical and constitutional values. Since its ratification, CEDAW has influenced the development of various national and subnational policies and laws related to women's rights and gender equality (Modern Diplomacy, 2023). Indonesia entered a reservation to Article 29, paragraph (1) of the Convention, which pertains to the settlement of disputes by the International Court of Justice. This reservation does not affect the core substantive obligations Indonesia has accepted under the Convention to promote and protect the rights of women.

National Development Plans and Strategic Approaches

Indonesia's commitment to advancing gender equality has been significantly reinforced through its long-term and medium-term national development plans. The National Long-Term Development Plan (RPJPN) 2025–2045, enacted under Law No. 59 of 2024, positions gender equality as a central component of the country's future development strategy. Within Mission 2 on Economic Transformation, the plan emphasises the importance of enhancing science, technology, innovation, and productivity as pathways to strengthening the labour market. A key objective under this mission is to build a labour market that is not only productive and flexible but also gender-responsive and inclusive, acknowledging the critical role of women in the national economy.

In parallel, Mission 5 on Socio-Cultural and Ecological Resilience of RPJPN 2025–2045 integrates gender mainstreaming into the core of the development process. The mission outlines strategic efforts to strengthen gender mainstreaming governance, promote social inclusion, and introduce affirmative policies aimed at reducing gender inequalities, particularly for vulnerable groups. These include enhancing access to leadership roles, economic resources, and essential services for women and marginalised communities. Furthermore, the plan calls for the creation of an enabling environment for inclusive development—one that is sustained through transparent knowledge management systems, appropriate incentives, and active community engagement (Audit Board of Indonesia, 2024).

Complementing the long-term vision, the National Medium-Term Development Plan (RPJMN) 2025–2029, formalised through Presidential Regulation No. 12 of 2025, further operationalises gender equality goals into actionable programmes and activities. Under National Priority 4, the RPJMN aims to enhance human capital through the integration of science, technology, education, health, and gender equality. This priority area specifically identifies the empowerment of women, especially Millennials and Gen Z, and persons with disabilities as vital for sustainable national development (Audit Board of Indonesia, 2025).

Within this framework, several targeted programmes have been outlined to promote gender equality and protect women's rights. These include initiatives to expand women's access to education and healthcare, support women's leadership and autonomy, and increase their participation in the economy. Economic empowerment strategies focus on promoting female entrepreneurship, establishing women-friendly work environments, and safeguarding women's rights in the workplace and society at large. These interventions are designed not only to address structural inequalities but also to create tangible improvements in women's livelihoods and agency.

Indonesia’s Care Economy Roadmap and National Action Plan (*Peta Jalan dan Rencana Aksi Nasional Ekonomi Perawatan*) 2025-2045 marks the commitment of Indonesia to accelerate the transformation of its care economy and increase Female Labour Force Participation by 70% in 2025. Led by the Ministry of Women Empowerment and Child Protection, it covers seven priorities: (a) developing accessible, quality childcare services; (b) strengthening elderly and long-term care services; (c) improving inclusive, integrated care services for persons with disabilities, HIV/AIDS, and special needs and other vulnerable groups; (d) enhancing maternity leave; (e) increasing the involvement of men, including enhancing paternity leave; (f) recognizing decent work for care workers; and (g) implementing social protection for workers in the care economy. To implement this Roadmap, the government has established the Care Economy Working Group, involving ministries, civil society, academia, private sector to coordinate policy, design supportive infrastructure, and regulations.

Sector-specific Laws and Regulation in Advancing Gender Equality

Indonesia has demonstrated a strong commitment to promoting gender equality in the labour and industrial sectors through the ratification and implementation of international conventions and national laws. Central to this commitment is the ratification of key International Labour Organisation (ILO) instruments, particularly ILO Convention No. 100 on Equal Remuneration and Convention No. 111 on Discrimination in Employment and Occupation. Ratified in 1958, Convention No. 100 obligates Indonesia to uphold the principle of equal pay for work of equal value, a standard incorporated into Government Regulation No. 78 of 2015 on Wages. This regulation affirms that every worker has the right to receive equal wages for work of equal value, defined by competence, work risk, and responsibilities (United Nations, 2020). Similarly, Convention No. 111, ratified through Law No. 21 of 1999, prohibits all forms of discrimination in employment, a principle further reinforced by Law No. 13 of 2003 on Manpower (Employment Law), particularly in Articles 5 and 6 (Dewi, P., 2024).

The Employment Law provides a foundational legal framework that seeks to institutionalise non-discriminatory practices across the employment lifecycle. Articles 5 and 6 mandate equal opportunities and treatment regardless of gender, ethnicity, race, religion, or political affiliation, whilst Article 153 explicitly prohibits termination on discriminatory grounds. The comprehensiveness of these provisions reflects a deliberate legal effort to create an inclusive labour market.

Indonesia has also made meaningful progress in addressing gender-based violence and harassment in the workplace. The passage of Law No. 12 of 2022 on Sexual Violence (TPKS Law) represents a paradigm shift in the legal treatment of sexual violence, extending its scope to include digital and non-physical forms of abuse. The law criminalises various manifestations of sexual violence, including online gender-based violence, forced contraception, and sexual exploitation (Audit Board of Indonesia, 2022).

To operationalise the broader mandates of the TPKS Law within workplaces, the Ministry of Manpower issued Decree No. 88 of 2023, which provides comprehensive guidelines for preventing and addressing sexual violence at the organisational level. The decree mandates the formation of internal task forces within companies, responsible for managing complaints, supporting victims, and implementing preventive strategies. These guidelines signify a shift toward employer accountability and proactive workplace governance (Ministry of Manpower, 2023).

Support for work-life balance and caregiving responsibilities has been strengthened through a combination of regulatory and legislative measures aimed at improving conditions for working parents. The Regulation of the Minister of Women Empowerment and Child Protection Number 5 of 2015 requires employers to provide gender-responsive and child-friendly facilities in the workplace, including breastfeeding rooms that meet health and safety standards (MoWECP, 2015). This regulation seeks to protect the rights of women and children whilst also promoting a supportive work environment for female employees, particularly those who are mothers.

Complementing this, Law No. 4 of 2024 on the Welfare of Mothers and Children introduces provisions for extended maternity leave up to six months in cases involving maternal or infant health issues with defined salary protections, along with formal paternity leave entitlements (Baker McKenzie InsightPlus, 2025). The law also mandates the availability of lactation rooms, daycare centres, and appropriate adjustments to working conditions for pregnant or nursing mothers (MoWECP, 2024). Together, these policies demonstrate a growing commitment to ensuring that workplaces accommodate the caregiving roles of employees.

In the domain of economic planning, Regulation No. 18 of 2010 by the Ministry of Women Empowerment and Child Protection introduces gender-responsive planning and budgeting (GRPB) guidelines specific to the industrial, trade, and cooperative sectors. The regulation mandates the collection and use of sex- and age-disaggregated data as a basis for planning and evaluating gender-responsive programmes (MoWECP, 2010).

Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (the "PPSK Law") establishes a comprehensive philosophical foundation and legal framework for transforming Indonesia's financial sector. One of its core objectives, as mandated by Article 5, is to realise inclusive finance (sub-paragraph c) and to promote a financial sector that is both sustainable and culturally attuned (sub-paragraph g). Furthermore, Article 6(2) sets out fundamental principles that must be upheld, including consumer and community protection (sub-paragraph f), the fulfilment of rights and equality (sub-paragraph i), and sustainability (sub-paragraph g). These principles are not mere rhetoric: the PPSK Law grants the Financial Services Authority (OJK) a strong mandate and clear legitimacy to operationalise them through concrete implementing regulations, as reinforced in Chapter III on the Enhancement of OJK's Role and Authority.

In carrying out the PPSK Law's mandate, OJK has issued a series of Financial Services Authority Regulations (POJKs) that translate the goals of inclusivity, sustainability, equality, and consumer protection into concrete operational obligations for industry players. POJK 51/2017 on Sustainable Finance serves as a key instrument for embedding the principles of sustainability and the fulfilment of rights and equality. This regulation not only requires sustainability reporting covering social and gender dimensions but also explicitly targets improved inclusion of communities that have long been marginalised—among them, by taking tangible gender-equality actions within business operations. In this way, POJK 51/2017 directly implements Article 5(c) (inclusivity) and (g) (sustainability), as well as Article 6(2)(g) (sustainability) and (i) (equality) of the PPSK Law, by making social and gender considerations integral to sustainable business practices.

As a "framework regulation," POJK 51/2017 requires every financial services institution (LJK), issuer, and public company to integrate Environmental, Social, and Governance (ESG) principles directly into their core strategy—spanning credit decisions, investment policies, and risk management. Crucially, the regulation goes beyond technical mandates; it codifies social inclusion and gender equality as strategic priorities.

Each LJK must annually submit a Sustainable Finance Action Plan (RAKB) that sets out concrete, quantitative targets such as the proportion of lending directed to women-owned enterprises or the number of financial-literacy trainings for vulnerable women's groups. The RAKB thus serves as both a roadmap for the institution's gender- and social-impact commitments and a monitoring tool for OJK to assess real-world progress.

Complementing the RAKB requirement, POJK 51/2017 mandates an annual Sustainability Report aligned with Global Reporting Initiative (GRI) standards and the UN SDGs, detailing not only financial performance but also non-financial results, including social and gender dimensions of corporate social responsibility (TJSL) programmes. This "soft regulation" approach relying on disclosure and corporate accountability gives institutions the flexibility to design their own gender-responsive strategies, provided they transparently demonstrate alignment with SDG 5 (Gender Equality) and national sustainable-finance goals.

The principle of the fulfilment of rights and equality (Article 6(2)(i) of the PPSK Law) is given concrete expression in POJK 18/2023 on the Issuance and Requirements for

Sustainable Debt Securities/Sukuk. This regulation progressively prohibits all forms of discrimination, including gender-based discrimination across all aspects of the capital market. The prohibition is not merely a declaration; it is a binding obligation for the issuance of sustainable finance instruments, thereby embedding the PPSK Law's equality principle at the very heart of capital market funding activities.

Meanwhile, the principle of consumer and community protection (Article 6(2)(f) of the PPSK Law) is realised through POJK 22/2023 on Consumer and Community Protection in the Financial Services Sector. This regulation guarantees the availability of financial products and/or services to all segments of society, reflecting the essence of inclusive finance as mandated by Article 5(c) of the PPSK Law. Universal access is a crucial step toward removing systemic barriers that have historically prevented full participation by vulnerable and marginalised groups in the financial system.

Finally, to ensure that the PPSK Law's principles permeate organisational governance, POJK 48/2024 on Good Governance requires non-bank financial institutions (such as financing companies, venture capital firms, and microfinance institutions) to actively promote gender equality and diversity. This constitutes a direct implementation of the PPSK Law's principle of the fulfilment of rights and equality (Article 6(2)(i)) at the governance level, whilst also fostering an inclusive and sustainable organisational culture in line with Article 5(g). By integrating gender equality into decision-making structures and corporate culture, this POJK strengthens the foundation for business practices aligned not only with ESG standards but, more fundamentally, with the PPSK Law's vision of building a fair, responsible, and sustainable financial sector.

2.3 Current Landscape of Gender Equality in Indonesia

In Indonesia, although notable progress has been made in several areas of gender equality, significant disparities remain, particularly in employment, financial access, and political representation. Analysis of key indicators, such as the Gender Gap Index (GGI), Gender Inequality Index (GII), female labour force participation, and women's access to education and financial services, shows that significant efforts are still needed to close gender gaps. Whilst the GGI reflects progress toward parity (with higher scores and lower ranks indicating better outcomes), the GII measures levels of inequality (where lower scores denote greater equality); thus, an improvement in GGI or a decline in GII signals positive progress toward gender equality.

According to the World Economic Forum (2023), Indonesia's Gender Gap Index score improved from 0.65 in 2006 to 0.70 in 2020, although it declined temporarily during the COVID-19 pandemic before rising again to 0.686 in 2023. Whilst this reflects increased female economic participation, Indonesia's global ranking has slowed, as many other countries have progressed at a faster rate.

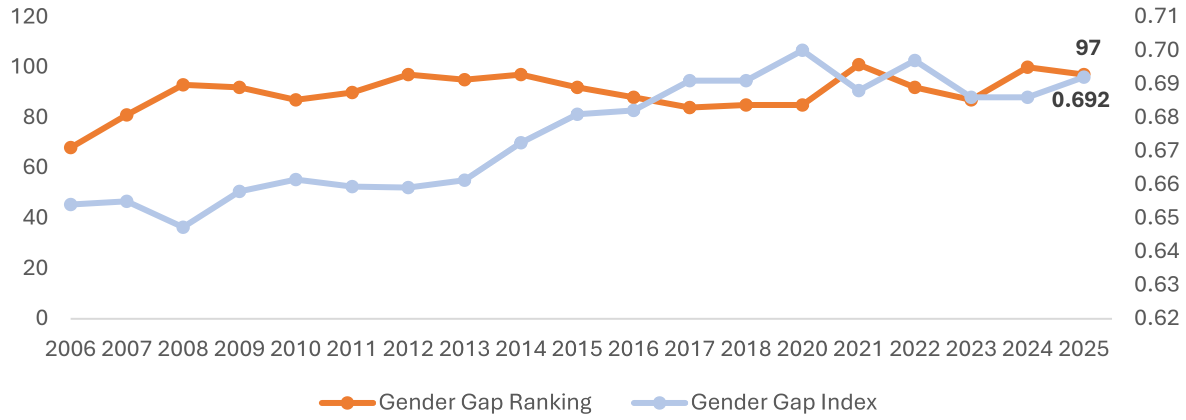

Figure 2. Indonesia's Gender Gap Index

Source: The World Economic Forum (2025)

Similarly, the UNDP's Gender Inequality Index shows a decline in inequality from 0.544 in 2006 to 0.423 in 2023, signalling positive developments in areas such as reproductive health, education, and women's economic engagement. The most significant improvements occurred between 2006 and 2012. However, progress has plateaued since 2019, indicating the need for more systematic and targeted strategies to achieve further gains.

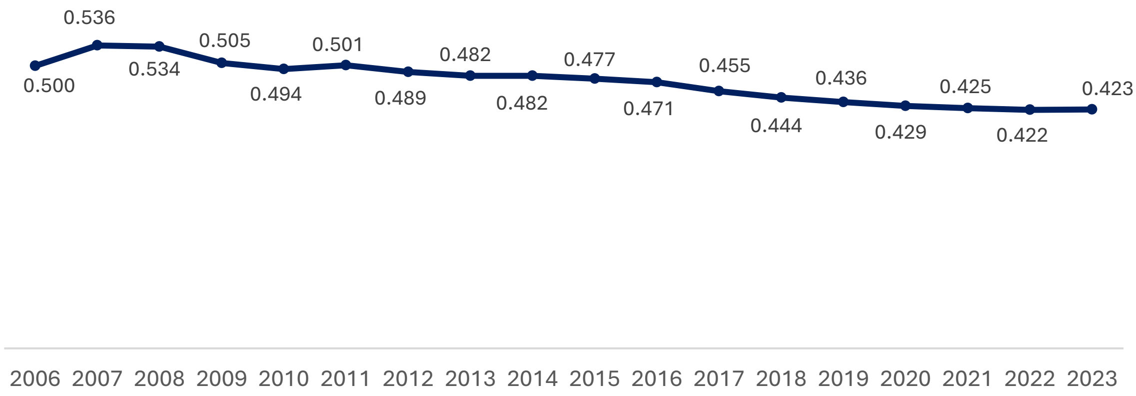

Figure 3. Indonesia's Gender Inequality Index

Source: United Nations Development Programme (2024)

Despite these improvements, Indonesia's GII global ranking stood at 108 in 2023, considerably lower than several of its ASEAN neighbours, as seen in Table 1. For example, Singapore (ranked 8th with a GII of 0.031) and Malaysia (ranked 47th with a GII of 0.172) outperform Indonesia, whereas countries like Cambodia (0.506, ranked 136th) and Myanmar (0.478, ranked 118th) trail behind. This suggests that Indonesia's gender inequality remains high and warrants more aggressive policy interventions.

Key challenges persist in the political, educational, and labour sectors. As of 2023, women held only 21.6% of legislative seats, far below the 30% gender quota as mandated in Article 245 Law No. 7 of 2017. Educational attainment among women has improved, with the percentage of women completing upper-secondary education rising from 31% in 2018 to 37.6% in 2024, nearing men's rate of 43.8% (Statistics Indonesia, 2025). However, these educational gains have not yet translated into proportional increases in formal employment.

Table 1. Gender Inequality Index for ASEAN Countries

Country	Gender Inequality Index 2023		Maternal mortality ratio 2020	Adolescent birth rate 2023	Share of seats in parliament 2023	Population with at least some secondary education 2023		Labour force participation rate 2023	
	Value	Rank	(deaths per 100,000 live births)	(births per 1,000 women ages 15–19)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)	
						Female	Male	Female	Male
Brunei Darussalam	0.257	66	44	8.5	11.8	86	88.8	54.4	72.3
Cambodia	0.506	136	218	46.9	14.4	16.4	29	70.5	83.8
Indonesia	**0.423**	**108**	**173**	**26.4**	**21.6**	**53.5**	**59.9**	**53.4**	**82.2**
Lao People's Democratic Republic	0.475	117	126	81.7	22	19.3	31	61.5	70.8
Malaysia	0.172	47	21	6	14.7	79	82.1	55.8	81.9
Myanmar	0.478	118	179	33.5	15	38.5	47.8	43.6	76.7
Philippines	0.351	86	78	31.9	27.5	63.6	60	50.2	72.5
Singapore	0.031	8	7	2.2	29.1	82.9	87.8	62.6	74.9
Thailand	0.288	73	29	26.1	16	51.9	56.7	60.6	76.6
Timor-Leste	0.394	99	204	27.4	36.9	35.3	40.9	40.9	52.5
Viet Nam	0.299	78	46	34.3	30.3	61.5	70	67.9	76.7

Source: United Nations Development Programme (2024)

The female labour force participation (FLFP) rate has remained stagnant for the last two decades at 53.4% in 2023, significantly lower than the 82.2% rate among men (UNDP, 2024). Moreover, the latest data from National Labour Force Survey (NFLS) (Statistics Indonesia, 2025) shows that Indonesia's working-age population in February 2025 reached 216.79 million, with 153.05 million people included in the labour force. It indicates a labour force participation rate (LFPR) of 70.6%. A closer examination reveals a persistent gap between female labour force participation and their male counterparts. The LFPR of men was 84.34%, whilst that of women was only 56.7%. This means that women's participation in the labour market remains stagnant and substantially lower, accounting for barely two-thirds of men's participation, despite the overall increase in national LFPR over the past five years.

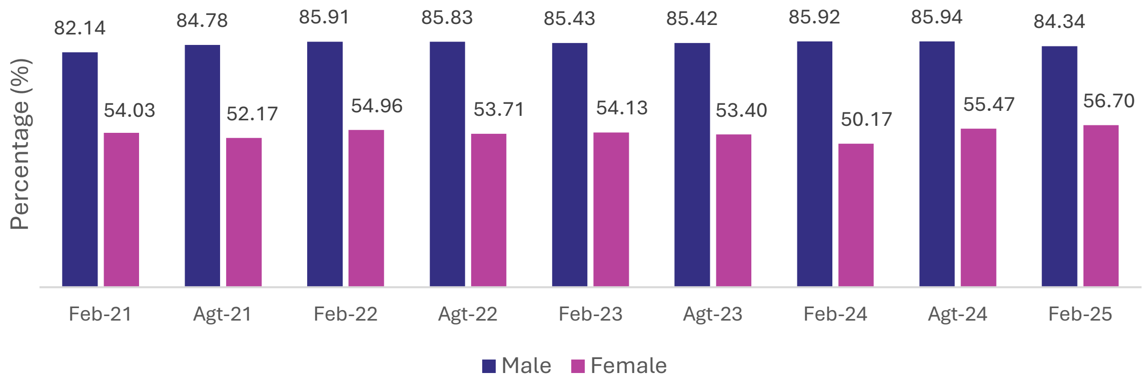

Figure 4. Labour Force Participation Rate (LFPR) in Indonesia

Source: Statistics Indonesia, NFLS (SAKERNAS), 2025

In Indonesia, Micro, Small, and Medium-sized Enterprises (MSMEs) have predominantly played significant roles in providing employment opportunities. Data from the Ministry of SMEs reveals that MSMEs contribute approximately 97% of the total employment in Indonesia by 2024. In terms of business units, there are approximately 64.2 million MSMEs in 2024. These enterprises collectively account for approximately 61% of Indonesia's Gross Domestic Product (GDP), equivalent to around IDR 9,500 trillion or USD 579.3 billion. Furthermore, the proportion of women-owned MSMEs has reached 49.46%, nearly equal to that of male-owned MSMEs at 50.54% (Ministry of SMEs, 2024).

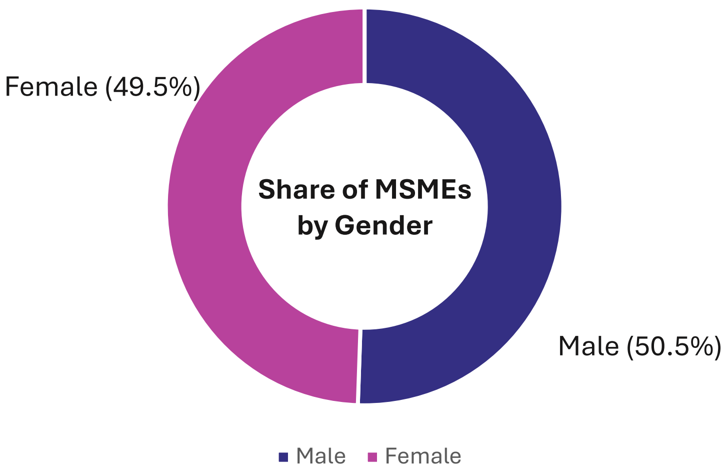

Figure 5. Share of MSMEs by Gender (2024)
Source: Ministry of Cooperatives and SMEs, 2024

In addition to participation disparities, wage inequality also persists. Data from February 2025 show that the average wage for men reached IDR 3.37 million or USD 205.5, whilst women earned only IDR 2.61 million or USD 159.2. Moreover, only 34% of women are employed in the formal sector, with many engaged in informal or unpaid work (National Socio-Economic Survey, Statistics Indonesia, 2021). This gap not only reflects unequal remuneration for comparable work but also reinforces the broader structural challenges that limit women's economic empowerment.

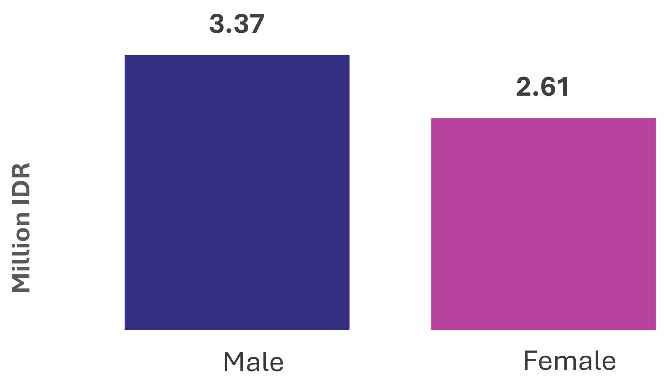

Figure 6. Average Salary of Workers Based on Gender
Source: Statistics Indonesia, NFLS (SAKERNAS), 2025

Similarly, the representation of women in managerial and leadership positions in Indonesia continues to encounter significant challenges. Despite a notable increase, women currently hold approximately 35% of managerial positions in 2023, compared to 22% in 2015. However, they have been systematically underrepresented in leadership roles. Societal norms and traditional expectations often restrict women's aspirations and career advancement opportunities, particularly in fields perceived as male-dominated, such as finance, technology, and energy.

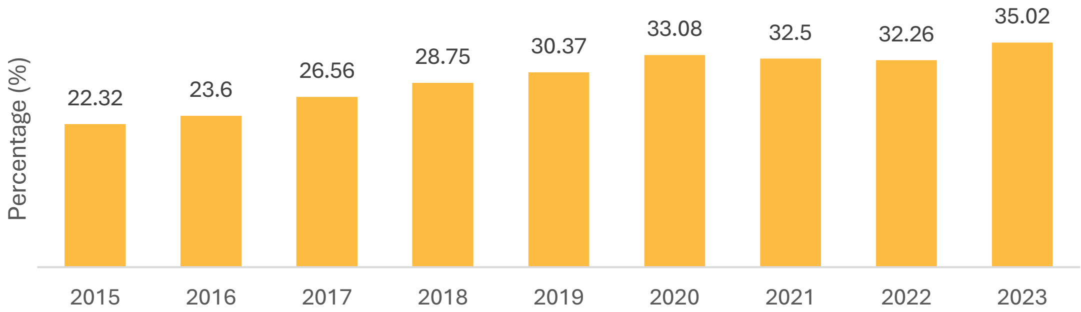

Figure 7. Proportion of Women in Managerial Positions
Source: Sakernas (Statistics Indonesia, 2024)

Social norms in Indonesia position women as the primary caregivers, whilst men are expected to be breadwinners. Workplace policies do not align with these social expectations, failing to accommodate women's desire to balance paid work with their care responsibilities or incentivise the redistribution of care responsibilities between men and women. This situation highlights the absence of enabling systems such as childcare services, inclusive hiring practices, and equitable distribution of domestic responsibilities. An enabling care economy—the sector of economic activities related to providing care, including paid and unpaid labour and services—is crucial to promoting women's entry and retention in the workforce and fostering long-term social well-being.

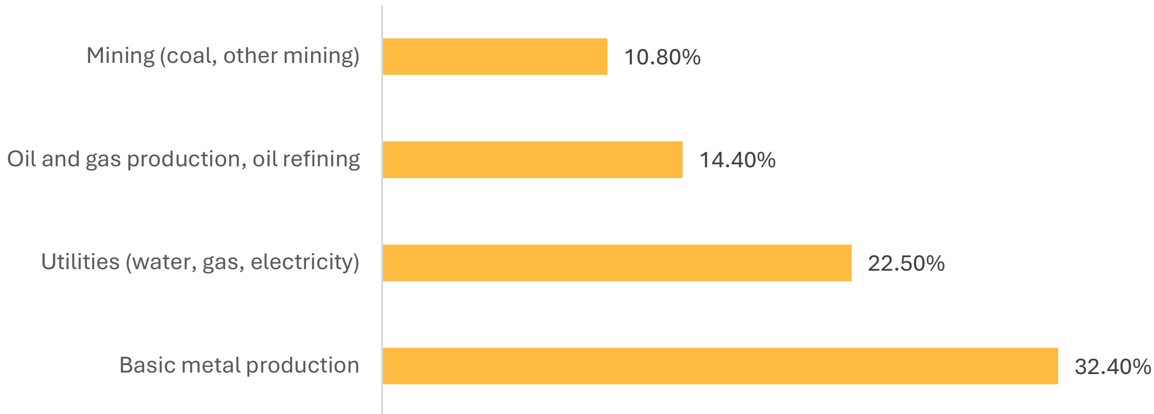

Figure 8. Female Share of Occupation in the Energy Sector in Indonesia (2023)
Source: ILO (2025)

The data highlights stark disparities in women's participation across energy subsectors. Female representation is highest in basic metal production (32.4%) and utilities (22.5%), but remains notably low in oil and gas (14.4%) and mining (10.8%). However, these higher shares are likely concentrated in administrative, clerical, and support roles rather than in technical, engineering, or decision-making positions, where women remain underrepresented (Heimann & Johansson, 2025). This uneven distribution points to persistent occupational segregation that limits women's advancement in high-skilled, high-paying jobs. Such patterns underscore the importance of policies that go beyond improving access, by also addressing gender bias in recruitment, training, and promotion, thereby enabling women to move into core technical and leadership positions within the energy sector.

2.4 Gender-Inclusive Financing in Indonesia

Indonesia is advancing its efforts to promote gender-inclusive financial access. In comparison to other ASEAN countries, Indonesia's financial inclusion in 2021 achieved gender parity in account ownership. However, mobile money adoption and formal savings remain low, particularly in the digital financial services sector. The World Bank's Global Findex (2021) reveals that only 10% of Indonesian women utilise mobile money, significantly lower than in Thailand (57%) or Singapore (27%). Despite bank account ownership being nearly equal (52% women vs. 51% men), financial inclusion disparities persist.

Table 2. Financial Access by Gender for Selected ASEAN Countries

Country name	Account		Financial institution account		Mobile money account		Saved at a financial institution		Borrowed any money	
	F	M	F	M	F	M	F	M	F	M
Cambodia	33%	34%	31%	34%	5%	8%	4%	10%	58%	51%
Indonesia	**52%**	**51%**	**52%**	**49%**	**10%**	**9%**	**18%**	**21%**	**42%**	**41%**
Lao PDR	38%	37%	38%	37%	4%	7%	19%	15%	44%	39%
Malaysia	88%	89%	88%	89%	29%	27%	47%	47%	28%	36%
Myanmar	46%	50%	35%	38%	27%	31%	9%	9%	30%	37%
Philippines	47%	56%	41%	51%	19%	25%	15%	24%	56%	60%
Singapore	97%	98%	97%	98%	27%	34%	59%	61%	43%	50%
Thailand	93%	99%	92%	96%	57%	64%	52%	53%	54%	58%

Notes: F: Female; M: Male
Source: World Bank (2021)

Financial literacy in Indonesia has risen markedly in recent years, although a gender gap remains. In 2016, the literacy index for female respondents stood at 25.5%, compared with 33.2% for male respondents (Figure 9). By 2022, the gap had narrowed considerably, with females at 49.05% and males at 50.33%. In 2024, both groups reached above 60%, before a sharper divergence in 2025, when male respondents' literacy rose sharply to 80.73%, while females recorded 65.58%. In terms of financial inclusion, however, the gender gap has been relatively smaller. Female respondents' inclusion index improved from 66.2% in 2016 to 80.28% in 2025, while males moved from 69.6% to 80.73%, indicating near parity in access and usage of financial services.

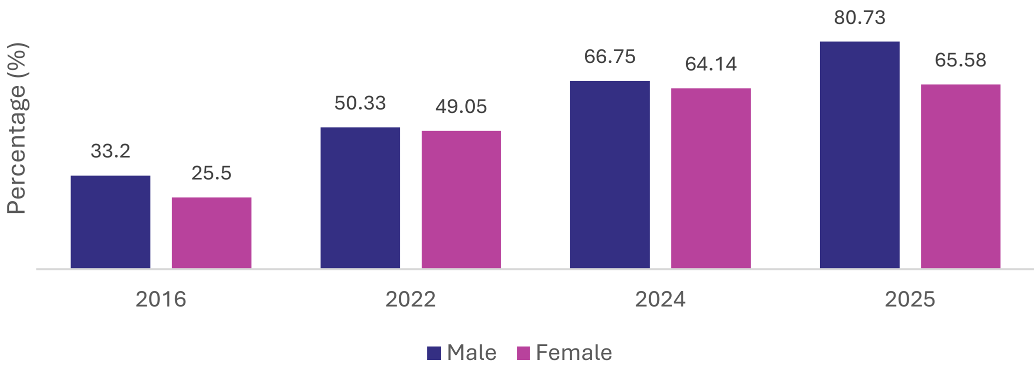

Figure 9. Financial Literacy Index by Gender
Source: OJK National Survey on Financial Literacy and Inclusion
Notes: Different methodologies used in SNLIK 2016-2022 and SNLIK 2024–2025, which adopted a revised approach covering BPJS and cooperatives (OJK–BPS, SNLIK 2025).

In terms of financial inclusion, however, the gender gap has been relatively smaller. Female respondents' inclusion index improved from 66.2% in 2016 to 80.28% in 2025, while males moved from 69.6% to 80.73%, indicating near parity in access and usage of financial services. Several empirical studies on women-owned MSMEs indicate that gender-based barriers remain a major obstacle to financial inclusion. Women entrepreneurs often face discriminatory lending practices, limited collateral, and shorter credit histories compared to men, making it difficult for them to access formal financing (Pavlova, E., & Gvetadze, S., 2023). These constraints are also influenced by gendered norms and marital regimes often constrain women's financial autonomy and property rights (Gaddis et al., 2020). Even after accounting for business characteristics such as size and sector, research continues to find a significant gender effect in access to finance, indicating the presence of systemic bias in financial markets (Rejeb et al., 2025).

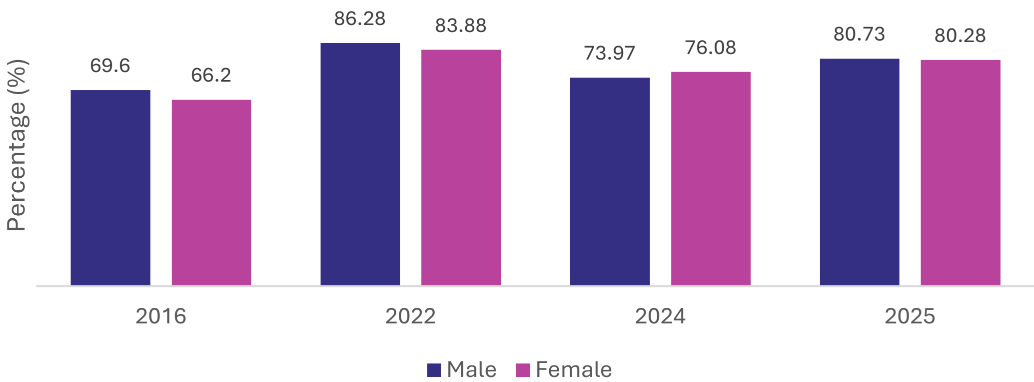

Figure 10. Financial Inclusion Index by Gender
Source: OJK National Survey on Financial Literacy and Inclusion

This phenomenon is also evident in the ASEAN region with local variations. In Indonesia, the Philippines, Vietnam, and Thailand, women-owned MSMEs tend to operate informally, maintain weak financial records, and possess fewer assets compared to male-owned MSMEs (Women's World Banking, 2015). These conditions reduce their bankability, whilst financial institutions often fail to adjust product designs to cater to service-based businesses, which many women engage in (OECD, 2021). Moreover, low levels of financial literacy and limited understanding of formal credit instruments further constrain demand from women (Women's World Banking, 2015).

In the Indonesian context, various studies highlight a substantial financing gap among women-owned MSMEs. The IFC (2016) report estimates an unmet credit demand amounting to billions of U.S. dollars, with most women entrepreneurs relying on internal funds or informal sources. The main obstacles include insufficient collateral, unsuitable banking products, and risk perceptions from financial providers (World Bank & IFC, 2016).

Furthermore, many women-owned MSMEs in Indonesia operate in the informal sector with minimal documentation, making it difficult to meet banking credit requirements (IMF, 2024). Cultural norms exacerbate these barriers, as asset ownership is often registered under men's names, thereby reducing women's access to collateral. Regional disparities are also evident, with women entrepreneurs in rural areas facing greater challenges due to limited financial infrastructure (IMF, 2024).

The Micro Credit Programme (*Kredit Usaha Rakyat*, or KUR) provides government financial support to MSMEs to enhance their access to affordable bank financing. KUR serves as a crucial empowerment tool for women-owned MSMEs, as approximately 49% of these loans were disbursed to women-owned MSMEs by 2024. There has been a consistent increasing trend in the number of disbursed KUR loans to women-owned MSMEs over the past decade. During the period from 2015 to 2024, a total of IDR 716 trillion USD 43.7 billion in KUR loans were disbursed to 18.04 million women-owned MSMEs.

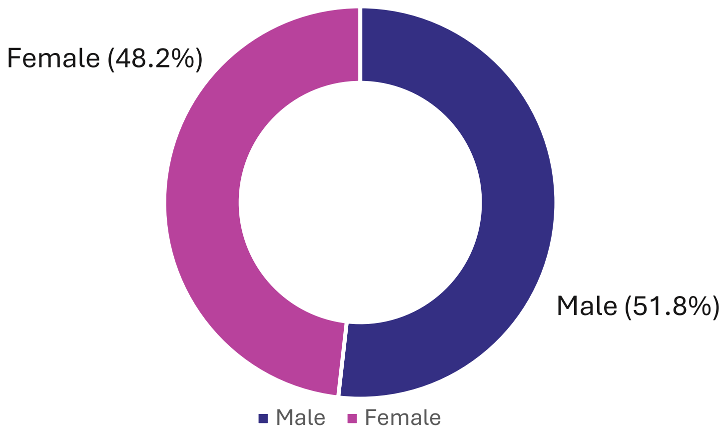

Figure 11. Micro Credit Programme (KUR) Distribution by Gender
Source: Policy Committee and SIKP Report, 2024; DNTG, 2024

To further address structural gender barriers, several national banks have launched dedicated financial programmes. Bank Central Asia (BCA), for instance, operates the KMU Kartini programme, which targets women-owned or women-led businesses with financing ranging from IDR 500 million to IDR 30 billion, displayed in Table 3. Loans are offered at interest rates starting from 3.21% per annum and tenors between 5 and 20 years, depending on loan type and collateral. By 2024, KMU Kartini had served 47,856 women and disbursed IDR 17.2 trillion, an annual increase of 7.6% in borrowers and 16.4% in disbursement.

Table 3. Implementing a Gender-Responsive Approach in Financing in the Bank

Bank	Programme	Description	Ceiling & Tenor	Interest Rate	Achievements	Mechanism & Conditions
BCA	KMU Kartini	Special financing programme for female MSME entrepreneurs	IDR 500 million – IDR 30 billion; tenor 5–20 years (depending on collateral and type of loan: working capital/investment)	Starting from 3.21% per year (fixed). There are fixed options of 1/3/5 years (3.21%–7.21%)	47,856 female debtors (up 7.6%); IDR 17.2 trillion in loans (up 16.4%); training & mentoring conducted	• For female entrepreneurs (individuals/business entities) • Indonesian citizens, age ≥17 years - Documents: KTP, NPWP, business legality - Collateral: property/productive business - Process via BCA branches and RM
CIMB Niaga	Kartini Loan	Gender responsive financing programme for MSMEs owned/led by women. Accompanied by incentives and mentoring	The ceiling and tenor have not been specifically mentioned.	Competitive (no figures stated); free administration fee for the first year	Launched as a complement to Giro Kartini. In 2024, total third party funds through Giro Kartini reached IDR 509.7 billion including Kartini loans.	• For women-owned/led MSMEs • Sustainability + digital-based scheme - Submission via branches and digital channels (OCTO Biz, BizChannel@CIMB) • Documents: KTP, business legality, NPWP (general)
Mandiri (via PNM Mekaar)	Capital Credit for Mekaar	Financing programme for underprivileged housewives	Small ceiling: IDR 2–3 million (without collateral); tenor per business cycle (average 6–12 months)	Very light interest (subsidised); depends on PNM policy	Bank Mandiri's social credit facility for PNM Mekaar worth IDR 3 trillion was officially agreed in December 2024, increasing Bank Mandiri's total social financing to IDR 143 trillion as of September 2024, up 9.4%	• No collateral required (group joint responsibility) • Must participate in business & literacy training - Distributed through PNM as a Mandiri partner

Bank	Programme	Description	Ceiling & Tenor	Interest Rate	Achievements	Mechanism & Conditions
					YoY from IDR 131 trillion in Q3 2023.	
BRI (PNM Mekaar)	UMi's Mekaar	Financing programme for ultra micro women (unbanked)	Ceiling: IDR 2-3 million or USD 122-183; Tenor: 25-50 weeks	Total annual margin is around 25%	By September 2023, UMi Mekaar has served more than 14.8 million underprivileged women through PNM Mekaar without requiring collateral. By September 2023, UMi Mekaar has served more than 14.8 million underprivileged women through PNM Mekaar without requiring collateral.	• No collateral • Group system (joint responsibility) - Must participate in regular training & mentoring

CIMB Niaga's Kartini Loan supports women-led MSMEs with competitive rates, fee waivers in the first year, and digital access via OCTO Biz. In 2024, Kartini-related third-party funds totalled IDR 509.7 billion. Bank Mandiri collaborates with PNM to offer *Mekaar* Capital Credit, unsecured ultra-micro loans (IDR 2-3 million) for housewives. With short tenors and subsidised rates, *Mekaar* had disbursed IDR 3 trillion as of December 2024, forming part of Mandiri's IDR 143 trillion social financing portfolio. Similarly, BRI, through the UMi holding with PNM and Pegadaian, implements *Mekaar*, which has served more than 14.8 million women by September 2023. *Mekaar* emphasises peer-group lending and regular training for financial and entrepreneurial capacity.

Table 4. Gender-Responsive Empowerment Programmes Beyond Financing in the Bank

Bank	Programme	Description	Achievements
BRI	Financial Literacy for Female Entrepreneurs from the Mekaar Group	Financial and digital literacy training for women micro-entrepreneurs who are members of PNM Mekaar (part of the UMi Holding: BRI–PNM–Pegadaian)	A total of 113,476 women from the Mekaar Group have participated in financial and digital literacy training.

BRI	BRILink Agent	Branchless financial services dominated by female agents, especially in rural and remote areas	The majority of BRILink agents are women, with higher transaction values than men in nearly all provinces.
BNI	KAWAN BNI Programme	A community empowerment programme focused on three aspects: women's empowerment, cultural villages, and ecotourism	Implemented in four locations: Banyuwangi, Klaten, Purbalingga, and East Flores.

These lending schemes are further enhanced by non-financial empowerment programmes. For instance, BRI has trained over 113,000 women under its Financial Literacy for Female Entrepreneurs initiative, which focuses on business skills and digital banking. BRILink, BRI's branchless banking platform, utilises female agents in rural areas, many of whom outperform male agents in transaction volumes. BNI's KAWAN BNI programme, which is currently operational in Banyuwangi, Klaten, Purbalingga, and East Flores, integrates financial inclusion with community development, providing support for women's empowerment, cultural villages, and ecotourism.

2.5 Energy and Sustainable Financing in Indonesia

Indonesia's sustainable finance sector has grown through green and social capital market instruments. Since 2018, the total value of sustainability bonds and sukuk (Sharia-compliant Islamic bonds) has reached 43.5 trillion. The financial services sector dominates issuance (IDR 40 trillion or USD 2.44 billion), followed by sectors such as pulp and paper, renewable energy, and steel. Most of these instruments are green bonds (over 70%), followed by social and sustainability bonds. Sustainability-linked bonds remain a small fraction of the market.

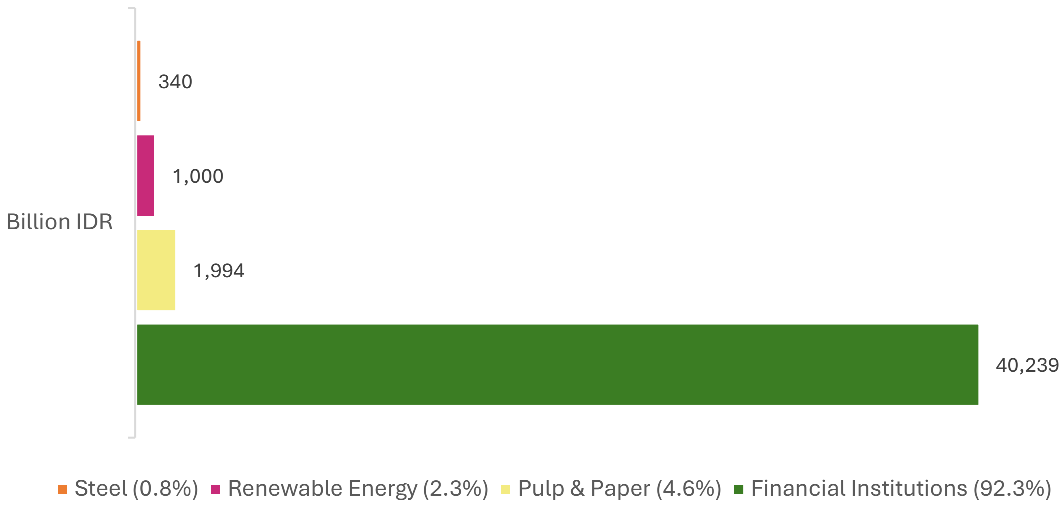

Figure 12. Sustainability Bond/Sukuk Issuance Volume by Industry (2018–2025)
Source: Financial Services Authority, 2025

Annual growth has been notable; in 2022 alone, sustainable instruments surged to IDR 10 trillion and continued rising through 2024. This progress is attributed to supportive policies like OJK's Green Taxonomy and Ministry of Finance incentives. Issuers include

SOEs like PT SMI, BNI, Bank Mandiri, BRI, Pegadaian, and private entities such as OKI Pulp & Paper and Steel Pipe Industry of Indonesia, reflecting cross-sectoral participation.

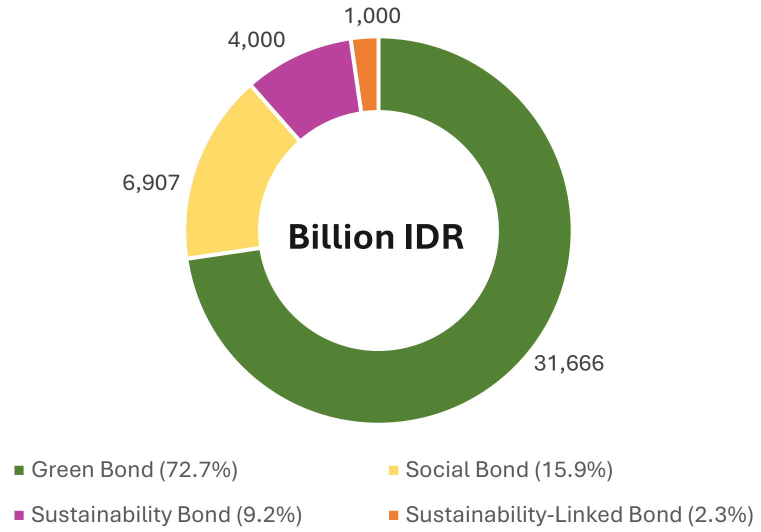

Figure 13. Sustainability Bond/Sukuk Issuance Volume by Bond Type (2018–2025)
Source: Financial Services Authority, 2025

Despite the promising expansion, a critical gap remains. There is currently no publicly available disaggregated data on the gender impact of these instruments. Whilst some social bonds may benefit women through empowerment-related programmes, explicit gender tagging or tracking is rare. Sustainability-linked bonds have not yet integrated gender indicators or commitments. Without such data, it is difficult to evaluate whether capital market growth translates into inclusive development for women or contributes to gender-equal outcomes in sectors like industrial energy efficiency.

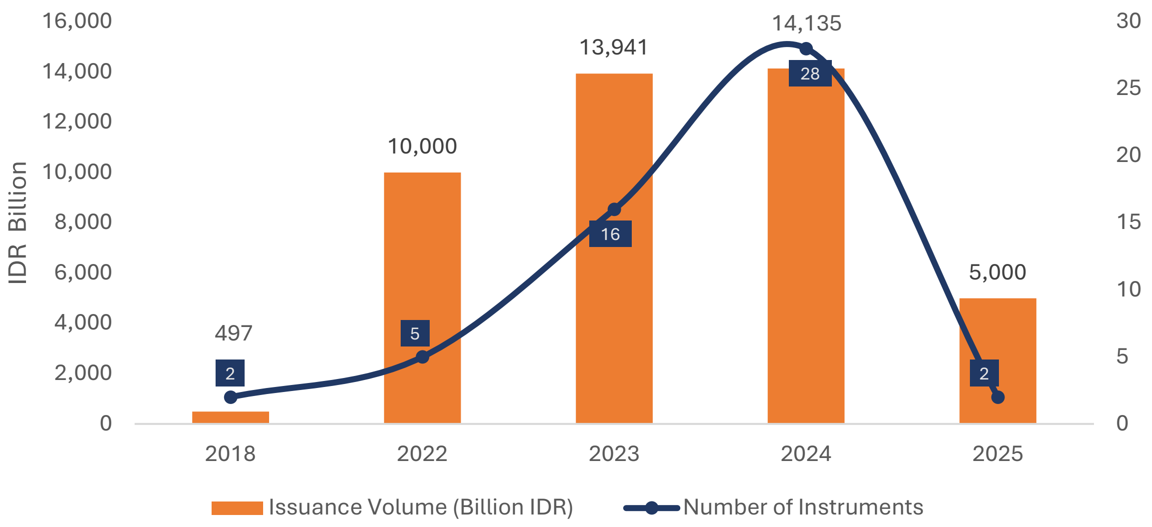

Figure 14. Growth of Sustainability Bond/Sukuk Issuance (2018–2025)
Source: Financial Services Authority, 2025

Figure 14 shows that Sustainability Bond/Sukuk issuance in Indonesia grew sharply from 2022, peaked in 2024 at IDR 14,135 billion with 28 instruments, and declined again in 2025. This trend underscores the rising importance of sustainable finance in supporting the country's low-carbon transition. Yet, gender budgeting integration within these instruments remains partial and not standardised. To maximise impact, future issuances should incorporate gender tagging and equality indicators to ensure that benefits extend beyond environmental goals toward inclusion and social equity. This is especially relevant as Indonesia seeks to finance its low-carbon transition whilst ensuring that women are not left behind.

Chapter 3

Practices on Gender Inclusive Financing: Cross-Country Comparison

Building on the experiences of OECD countries and emerging economies like Brazil and South Korea, this study seeks to explore how gender-inclusive financing frameworks are applied across diverse national contexts, and what lessons they offer for shaping more equitable energy financing systems, particularly in Indonesia and the broader ASEAN region. Whilst substantial progress has been made in mainstreaming gender into public budgeting and development cooperation, the translation of these commitments into inclusive access to industrial energy efficiency financing remains uneven.

OECD member states have progressively adopted gender budgeting as part of budget reform. Gender budgeting integrates gender equality considerations into public budgeting processes, aiming to ensure that fiscal allocations advance women's empowerment and equality (Ichii & Sharp, 2013; OECD, 2023b). The increase from approximately 12 countries in 2016 to 23 in 2022 signals growing political commitment. This policy is particularly critical in aging economies, as increasing female labour force participation could raise long-term GDP by an estimated 9.2% across OECD countries by 2060 (OECD, 2023b).

One hallmark of gender budgeting in OECD countries is the Gender Budget Statement, which accompanies the main budget document and enhances transparency about how the budget supports policy goals like gender equality. Ministries are often required to submit gender budget statements and conduct gender impact assessments. For example, Sweden includes comprehensive gender equality analysis in its annual Budget Bill. Disaggregated gender data is embedded in each policy area, and a dedicated annex assesses the full budget's impact on gender equality (OECD, 2023b). Iceland also integrates gender budgeting within its national equality law and fiscal action plans, using regular mapping of gender gaps to guide corrective action. Austria stands out as one of the few countries with a constitutional mandate for gender budgeting. Since 2009, the Austrian Constitution requires that all budgetary policies consider gender equality goals, a pioneering model replicated by few others (Downes et al., 2017).

In addition to domestic budgeting, OECD donors integrate gender perspectives into development cooperation. The OECD Development Assistance Committee (DAC) reports that 42 % of bilateral Official Development Assistance (ODA) in 2021-2022 included gender components, either as a principal or significant objective. Although slightly lower than the 45% figure from 2019-2020, the absolute value of gender-sensitive ODA rose to USD 60.4 billion. Of this, 4% was dedicated to gender equality as a principal goal, and 38% included it as a secondary objective (OECD, 2024). This trend reflects the widespread adoption of the DAC Gender Equality Policy Marker and highlights the role of donor conditionalities that require gender components in funded programmes (World Bank, 2022). The OECD's policy toolkit, including the "Best Practices for Gender Budgeting," offers actionable guidance for countries aiming to enhance the gender responsiveness of their budgets (OECD, 2023).

Brazil, in recent years, has increasingly mainstreamed gender equality in public policy and financing. Whilst its federal level gender budgeting remains nascent, Brazil has introduced tagging systems to identify budget items beneficial to women. Since 2021, Brazil has published a "Women's Budget Report" submitted to Congress, listing budget allocations that support gender equality. The newly adopted 2024-2027 Plano Plurianual (PPA) identifies gender equality as one of five transversal priorities, marking the first such inclusion since the 1988 Constitution (OECD, 2024b). An inter-ministerial task force was created to develop strategies to address systemic barriers, such as care responsibilities, political violence, and low female participation in STEM.

Brazil has also enacted gender affirmative laws, including a 30 % political candidate quota for women and the 2023 Equal Pay Law (*Lei No. 14.611/2023*), mandating equal pay for equal work and establishing wage transparency mechanisms. The gender wage gap in Brazil remains significant at 27% as of 2023 (OECD, 2024b), and this law represents a critical step toward parity. Financial programmes have been deployed to support women entrepreneurs. *Crediamigo*, operated by Banco do Nordeste, is Latin America's largest subsidised microcredit initiative, disbursing over €1.97 billion in 2021, with 67% of its 2.6 million active borrowers being women. In 2019, the bank launched "*Crediamigo Delas*," a subprogramme targeting women micro-entrepreneurs. Between 2021 and mid-2022, over 300,000 women received more than 500,000 loans under this initiative (European Investment Bank, 2022). Another example is Sicredi's "*Donas do Negócio*" programme in Bahia, supported by a USD 30 million loan from Proparco in 2024, part of a USD 125 million syndicate aimed at expanding women's access to business credit (Proparco, 2024).

Brazilian state-owned banks have also launched gender-specific programmes. For example, Caixa Econômica Federal introduced "*Caixa Pra Elas*" in 2022, offering women lower interest rates, grace periods during maternity leave, and tailored insurance and investment products. The initiative aimed to reach 4,000 branches nationwide by year end (CNN Brasil, 2022).

South Korea stands out in Asia for its comprehensive legal framework on gender budgeting. The 2006 amendment to the National Finance Act mandates every ministry to submit a Gender Budget Statement with their annual budget proposals, followed by a Gender Budget Balance Sheet reporting actual performance to the National Assembly (ESCAP, 2016). These mechanisms have been in effect since FY2010 and serve to identify gender disparities and inform future budgets. The Ministry of Gender Equality plays a key role in reviewing these statements, and officials receive technical training on gender budget preparation (UN Women, 2020). Despite strong institutionalisation, IMF evaluations suggest room for improving the analytical depth and impact of such tools (IMF, 2018).

Table 5. Cross-Country Comparison of Gender-Responsive Budgeting and Financing Programmes

Country	Main Policies	Gender Financing Programmes	Data/Realisations	Case Studies/Examples
OECD	• Gender Budgeting	• Government budgets are prepared with Gender Budget Statements • Bilateral donor support includes gender components	• 23 out of 38 OECD countries have adopted gender budgeting (2022) • 42% of bilateral ODA included gender components (2021–2022	• Austria, Sweden, Islandia
Brazil	• Gender Budgeting • Gender quota in politics (30% of parliamentary candidates) • Equal Pay Law 2023 • National strategy "*Elas Empreendem*"	• *Crediamigo Delas* (microcredit for women) • *Caixa Pra Elas*: credit target R$1 trillion – IDB Invest funding, Proparco for women MSMEs	• *Crediamigo*: €1.97 billion (2021), 67% for women – Loan of $200 million from EIB for women (2022) – Proparco: $30 million to Sicredi (2024)	• Crediamigo Delas by Banco do Nordeste • Donas do Negócio by Sicredi in Bahia
South Korea	• Gender Budget Statement (Public Finance Law 2006) • Women MSME Master Plan (2020–2024)	• Preferential financing for women-owned businesses • Government procurement from women-owned businesses • Global incubators and training	• Public procurement target from women-owned businesses increased by 0.9T KRW (2024) • Donation of US$10 million to We-Fi (2017)	• MSS 2024 Programme for women entrepreneurs – Korea Collaboration • World Bank for We-Fi

Korea also supports women entrepreneurs through specific financing policies anchored in the women-owned business act and its five-year master plans. The current 2020-2024 Master Plan focuses on strengthening women-owned MSMEs as growth drivers (Ministry of SMEs and Startups, 2024). In 2024, Korea's Ministry of SMEs and Startups (MSS) introduced inclusive startup incubators, childcare support in innovation hubs, and global accelerators for women entrepreneurs. Public procurement from women-owned businesses was expanded, with targets rising from KRW 11.3 trillion in 2023 to KRW 12.2 trillion in 2024 (Ministry of SMEs and Startups, 2024). These measures are part of Korea's broader effort to integrate women in economic development and align public spending with gender equality. Korea also contributes to international gender financing, having committed USD 10 million to the Women Entrepreneurs Finance Initiative (We-Fi) since its launch by the G20 in 2017.

Chapter 4

Gender Assessments of Regulatory Bodies, Financial Institutions, and Industrial Enterprises

4.1 Gender Assessment of Regulatory Bodies

This analysis is derived from in-depth interviews with key regulatory institutions: the Ministry of Women's Empowerment and Child Protection (KPPPA); the Ministry of Energy and Mineral Resources, represented by the Directorate General of New, Renewable Energy and Energy Conservation (KESDM); the Ministry of Industry (Kemenperin), through the Agency for Industrial Service Policy and Standardisation; and the Financial Services Authority (OJK), with reference to the Indonesian Sustainable Finance Taxonomy (TKBI). The objective of this analysis is to examine perceptions, policies, and existing instruments concerning gender issues, as well as to identify opportunities for integrating gender considerations into the energy efficiency agenda. The findings illustrate areas of convergence and divergence, highlight enabling factors, and formulate opportunities and challenges for the development of gender-responsive guidelines, action plans, and monitoring mechanisms.

A cross-institutional comparison reveals distinct yet complementary standpoints: KPPPA emphasises social protection and quality of life; KESDM focuses on women's representation and technical capacity; Kemenperin highlights women's opportunities for participation in industrial decarbonisation; and OJK underscores equitable access to finance. The differences among these perspectives are shaped by institutional mandates, the availability and readiness of gender-disaggregated data, the prioritisation of indicators, and varying conceptual understandings of gender.

Perceptions and Experiences on Gender Issues of Regulatory Bodies

The perceptions of gender issues among regulatory bodies reflect their respective mandates, priorities, and institutional capacities. This understanding is essential for assessing how gender equality is positioned within the context of development and energy transition. KPPPA is a government institution mandated to formulate, establish, and coordinate policies in the areas of women's empowerment and child protection. In carrying out its role, KPPPA views gender issues as inseparable from broader social concerns, such as violence against women, stunting, and maternal and child health. For the ministry, protecting women from violence is a crucial prerequisite for enabling them to play an optimal role in development. Without security and health guarantees, women cannot fully participate in the productive sector, including the energy sector.

This perspective reflects KPPPA's holistic understanding that gender inequality is not only about access to employment, but also about women's quality of life, from pregnancy through to their participation in public life. KPPPA already possesses a relatively strong regulatory framework. Presidential Instruction No. 9/2000 on Gender Mainstreaming in National Development, the National Action Plan on Gender Equality (RAN Kesetaraan Gender), and Law No. 36/2009 on Health, which includes provisions on maternal and child health, serve as important foundations. Building upon these instruments, the ministry has also promoted the application of gender budget tagging within the national planning system, thereby enabling each ministry and local government to identify the proportion of the budget truly allocated to gender-responsive programmes.

Whilst various women's empowerment policies have been advanced at both the national and regional levels, KPPPA recognises that challenges remain in harmonising perceptions of gender issues and addressing disparities in institutional capacity across regions. Strengthening awareness and capacity building are therefore critical needs. In the energy context, KPPPA has actively promoted women's empowerment to enhance their understanding of electricity use and clean energy. In collaboration with the Ministry of Energy and Mineral Resources (KESDM), KPPPA has implemented household energy conservation and management programmes targeting female-headed households, poor women, survivors of violence, and other vulnerable groups.

Meanwhile, KESDM, whose core mandate is to formulate and implement policies in the fields of energy and mineral resources management, places greater emphasis on the underrepresentation of women in the energy sector. Data from KESDM indicates that only approximately 5% of decision-makers in the energy sector are women. Although this number remains very small, the ministry has initiated efforts to create more participatory opportunities by promoting training programmes, certifications, and more inclusive partnership mechanisms, namely: SRIKANDI and Gerilya, Patriot Energi. Gender mainstreaming is also part of KESDM's mandate through its involvement in the National Action Plan on Gender and Climate Change (RAN GPI), coordinated with the Ministry of Women's Empowerment and Child Protection (KPPPA). This initiative encompasses data collection, inventory, and the application of gender-based budget tagging to strengthen gender inclusivity in climate change agendas, including the energy sector.

Kemenperin, responsible for formulating and implementing policies for national industrial development, focuses on strengthening competitiveness, setting industrial standards, and advancing the transformation toward a sustainable green industry. One of its main priorities is the development of an industrial decarbonisation roadmap and the implementation of energy efficiency measures as part of Indonesia's commitment to achieve net zero emission (NZE) by 2050. However, this roadmap has not yet clearly incorporated the gender dimension, thereby requiring stronger efforts to integrate women's participation indicators into green industry and energy efficiency policies. In doing so, Kemenperin holds the potential to ensure that industrial transition not only supports technical sustainability but also delivers equitable benefits for women.

The Financial Services Authority (OJK), as an independent body mandated to regulate, supervise, and maintain the stability of the financial services sector including banking, capital markets, and non-bank financial industries, also plays a key role in gender integration. Through the Indonesian Sustainable Finance Taxonomy (TKBI), OJK stipulates that social aspects, including gender equality, are essential criteria in defining sustainable economic activities. This means that financial institutions, issuers, and publicly listed companies are not only required to meet environmental standards but must also ensure non-discriminatory practices, workers' rights, and gender equality. In this context, gender is regarded not as an additional issue but as part of the social safeguards that constitute a fundamental prerequisite for sustainable economic activities. In other words, gender considerations form part of the very definition of what is deemed "bankable" within green and sustainable financial products.

The differences in perspective highlight varied focal points—social protection (KPPPA), representation (KESDM), industrial transformation (Kemenperin), and financial governance (OJK), yet these are complementary. Taken together, these dynamics underscore that the success of the green transition is determined not only by technical and environmental aspects but also by the strengthening of women's roles and representation across all sectors.

Gender Inclusive Energy Efficiency Financing Policies of Regulatory Bodies

In the context of financial products, the OJK plays a central role. Through the TKBI, financial institutions are required to take social aspects, including gender equality, into account when extending credit or designing sustainable financial products. This instrument can be further operationalised by requiring banks to report the volume of energy efficiency credit portfolios accessed by women entrepreneurs or women-led MSMEs. For MSMEs specifically, a Sector-Agnostic Decision Tree (SDT) approach is applied. This principle-based framework allows for flexibility and contextualisation, making it suitable for the capacities of small businesses. Such an approach opens the door for the development of inclusive financial products, such as gender-responsive loans, financing schemes for women-owned MSMEs, and insurance instruments.

At the same time, the KPPPA emphasises that there is currently no single policy specifically regulating financing for women. Nevertheless, the ministry actively collaborates with OJK, financial institutions, and development partners to strengthen women's access to finance. Initiatives such as women's financial inclusion programmes, financial literacy campaigns, and empowerment initiatives serve as key entry points to ensure that women are not only users but also beneficiaries of green and sustainable financial products.

From a technical perspective, KESDM does not directly provide financing products. Instead, it functions as a facilitator, encouraging financial institutions to create more inclusive and gender-responsive products. Collaboration with international institutions has been directed toward promoting de-risking schemes, such as credit guarantees, energy savings insurance, and performance-based energy contracts. When linked to OJK's social safeguards, such schemes can ensure that energy efficiency projects are not only financed but also aligned with gender equality standards, such as enabling greater participation of industries, including women entrepreneurs, in energy efficiency initiatives. Potential financial products include Sustainability-Linked Loans (SLLs) with gender-related Key Performance Indicators (e.g., increasing the proportion of women in technical energy roles, developing a Social and Gender Management Plan, or ensuring the availability of grievance mechanisms).

Meanwhile, the Ministry of Industry (Kemenperin), through the development of the Green Industry Service Company (GISCO), holds a strategic opportunity to incorporate gender requirements into project assessment frameworks. GISCO is essentially designed as a financing mechanism for the energy transition in the industrial sector, allowing companies to obtain low-interest loans with repayment schemes drawn from energy savings. In this way, companies are not burdened with additional operational costs but are instead encouraged to invest in environmentally friendly technologies.

At the initial stage, GISCO has focused primarily on technical and financial aspects, such as energy efficiency and emission reductions. However, the inclusion of social and gender indicators could be considered for further deliberation. This would enable Kemenperin to ensure that the transition to green industry is measured not only by the technical success of decarbonisation but also by its inclusiveness. For instance, projects funded through GISCO could be required to provide specialised training for female workers in the operation of energy-efficient equipment or undergo social audits that guarantee the protection of women workers.

Thus, GISCO has the potential to evolve into a more comprehensive instrument—one that not only facilitates the financing of green technologies but also promotes women's participation in decision-making, expands their access to finance, and ensures a fair distribution of the benefits of the energy transition. This underscores Kemenperin's role in bridging the decarbonisation agenda with gender equality, thereby ensuring that green industrial development truly contributes to sustainable development goals.

Opportunities and Challenges of Regulatory Bodies

Opportunities of Regulatory Bodies

a. **Strengthening Regulatory Frameworks**: The enactment of the Maternal and Child Health Law, Government Regulation No. 33/2023 on Energy Conservation, and Ministerial Regulation No. 8/2025 on Mandatory Energy Management, together with the Indonesian Sustainable Finance Taxonomy (TKBI) introduced by OJK, provide strategic entry points to integrate gender perspectives into sectoral policies, industrial decarbonisation roadmaps, and financial governance. These frameworks highlight that gender equality is not an optional concern but a fundamental criterion of sustainable development.

b. **Expanding Women's Representation Through Affirmative Programmes**: Initiatives such as SRIKANDI, Gerilya, and Patriot Energi launched by KESDM; KPPPA's household energy conservation and management programmes for female-headed households, poor women, survivors of violence, and other vulnerable groups; and OJK's women's financial inclusion and literacy initiatives together create critical opportunities to expand women's participation. These programmes not only provide technical skills, empowerment, and access to finance, but also ensure that women play active roles as beneficiaries, decision-makers, and agents of change in the energy transition.

c. **Leveraging Innovative Green Financing Instruments**: Schemes such as the Green Industry Service Company (GISCO), sustainability-linked loans, and de-risking mechanisms offer opportunities for Kemenperin and OJK to design gender-inclusive financing, particularly for women-led MSMEs. The global energy transition momentum and international cooperation create strategic momentum to mainstream gender in energy, industrial, and sustainable finance policies.

Challenges of Regulatory Bodies

a. **Limited Integration of Gender in Regulatory Frameworks**: Key policy documents such as the industrial decarbonisation roadmap still do not explicitly incorporate gender indicators, whilst the TKBI lacks operational guidance to ensure gender-responsive implementation. Without stronger regulatory alignment, gender remains peripheral in sectoral strategies.

b. **Low Representation of Women in Decision-Making Roles**: In the energy sector, women account for only approximately 5 % of decision-makers, and participation in industrial and financial governance remains limited. This underrepresentation reduces women's influence in shaping policy and narrows their access to leadership opportunities in the green transition.

c. **Insufficient Gender-Disaggregated Data and Monitoring Systems**: Without robust monitoring tools, gender integration efforts risk being fragmented and inconsistent across sectors and regions. The absence of comprehensive gender-disaggregated data constrains the ability to assess policy impacts systematically.

d. **Project-Based Financing with Limited Continuity**: Gender-related programmes are often funded on a project basis, making them highly dependent on donor priorities and lacking long-term sustainability. KPPPA is frequently involved only in selected projects depending on funders' interests and is often excluded from gender assessments led by other institutions. This undermines institutional ownership and weakens the consistency of gender mainstreaming efforts.

4.2 Gender Assessment of Financial Institutions

This section examines how financial institutions in Indonesia integrate gender considerations into their operations and services. The analysis draws from banking institutions, non-bank financial intermediaries, and industry associations to assess current gender mainstreaming practices in financial products, internal policies, and organisational culture. The findings reveal varying degrees of gender integration, from nascent awareness to structured frameworks, highlighting both progress made and persistent gaps in achieving meaningful gender inclusivity in the financial sector.

Perceptions and Experiences on Gender Issues of Financial Institutions

Financial institutions demonstrate growing recognition of gender as a strategic business consideration rather than merely a compliance requirement. Banks report that women entrepreneurs exhibit superior credit performance with lower non-performing loan (NPL) ratios compared to male counterparts, reinforcing the business case for gender-responsive financing. This perception has shifted gender considerations from corporate social responsibility initiatives toward core business strategy.

The banking sector acknowledges structural barriers faced by women entrepreneurs, particularly limited collateral ownership and lower financial literacy levels. Institutions recognise that traditional lending criteria, which emphasise physical collateral and formal business documentation, systematically disadvantage women-owned enterprises. Banks note that women entrepreneurs often operate in informal sectors or home-based businesses, requiring different assessment methodologies that consider cash flow patterns and community networks rather than conventional asset-based evaluations.

International development finance institutions bring more structured approaches to gender integration. These institutions implement comprehensive Social and Environmental Management Systems (SEMS) that embed gender considerations within broader safeguard frameworks. Gender analysis forms part of standard due diligence processes, particularly for infrastructure projects affecting local communities. However, implementation remains project-specific rather than institutionally systematic, with gender assessments triggered primarily by perceived social risks rather than proactive inclusion strategies.

Gender-Inclusive Financing Policies of Financial Institutions

Indonesian financial institutions have developed various internal policies supporting gender equality, though implementation depth varies considerably. Major banks have established diversity and inclusion frameworks as part of Environmental, Social, and Governance (ESG) commitments. These policies typically encompass non-discrimination principles, equal opportunity provisions, and workplace diversity targets.

Human resource policies increasingly accommodate different gender needs through expanded leave provisions. Banks provide three-month paid maternity leave and four-day paternity leave in compliance with national labour regulations. Progressive institutions offer additional benefits including flexible working arrangements, hybrid work options, and childcare support through on-site facilities or daycare subsidies. Several banks have launched targeted programmes such as women's mentoring initiatives and parent support groups, addressing career development alongside family responsibilities. One bank's Mom Support Group, initiated in 2024, engaged 31 participants (mothers with children aged 0-6 years) and conducted hybrid seminars on parenting and wellbeing attended by 60 in-person and 85 online participants.

Governance structures show improving gender representation, with some institutions achieving 50% women representation on boards of directors. As of 2024, women occupy 32% of senior management positions in leading banks, representing improvement from 25 % in 2023. Banks report maintaining salary parity with 1:1 base salary ratio between male and female employees at equivalent levels. Total workforce composition shows 45 % female employees out of 6,491 total staff in 2024.

Non-bank financial intermediaries adopt gender frameworks through international partnerships. Development finance institutions implemented detailed operational manuals on "Inclusion, Gender, and Women's Economic Empowerment" in 2024 through

Millennium Challenge Account agreements, though these often apply selectively to specific funding facilities rather than across all operations. Gender policies in these institutions emphasise both internal workplace equality and external project impacts, requiring borrowers to develop gender action plans as part of loan covenants.

Gender-Inclusive Financial Products of Financial Institutions

Financial institutions have developed targeted products addressing women entrepreneurs' specific needs, moving beyond generic microfinance toward comprehensive financial solutions. Banks' dedicated credit facilities for women-owned small and medium enterprises (WSMEs) reached IDR 3.31 trillion as of December 2023, representing 8.34% growth compared to the previous year. These products feature simplified documentation requirements, flexible repayment schedules aligned with business cash flows, and reduced emphasis on physical collateral.

Major banks report significant green and sustainable financing portfolios with varying gender integration levels. As of 2024, sustainable finance allocations include IDR 7.2 trillion for environmentally friendly transportation and IDR 673 billion for sustainable economic activities in retail segments. One bank's green financing portfolio reached IDR 89.9 trillion, another expanded to IDR 190.5 trillion, whilst a third achieved 31.5% year-on-year growth in green credit segments. However, explicit gender targets within these portfolios remain underdeveloped.

Sustainable finance products increasingly incorporate gender dimensions through innovative structures. Sustainability-Linked Loans (SLLs) include gender-related key performance indicators (KPIs) such as women's representation in management or percentage of financing directed to women-owned businesses. Achievement of gender targets triggers interest rate reductions, creating financial incentives for corporate borrowers to improve gender outcomes. Banks report developing "Orange Loans" specifically focused on gender impact, with discussions initiated in 2023 and advancing to term sheet negotiations by 2025.

Financial institutions utilise two-step lending mechanisms to reach women entrepreneurs indirectly. Banks provide wholesale funding to non-bank financial institutions (NBFIs) that subsequently on-lend to women-owned micro and small enterprises. This approach leverages NBFIs' grassroots presence and understanding of local women entrepreneurs whilst maintaining banks' risk management standards.

Digital financial services expand access for women entrepreneurs, particularly in underserved regions. Mobile banking platforms, agent banking networks, and branchless banking models reduce physical and time constraints that disproportionately affect women. Banks develop specialised applications integrating financial literacy modules with transaction services, with capacity building programmes reaching 85 women entrepreneurs through digital skills training as of 2024.

Energy efficiency financing shows limited gender integration despite potential synergies. From 2023 through mid-2024, development finance institutions integrated ESG principles into 69 infrastructure projects across 14 provinces worth approximately IDR 7.6 trillion, including 21 clean energy projects, 40 social impact projects, and 8 environmentally based business activities. Whilst banks develop green financing frameworks for renewable energy and efficiency projects, gender considerations remain absent from project selection criteria.

Opportunities and Challenges of Financial Institutions

Opportunities of Financial Institutions

a. **Superior Credit Performance of Women Borrowers**: Women entrepreneurs demonstrate consistently lower default rates and higher repayment reliability compared to male counterparts, presenting strong business rationale for portfolio expansion. This superior performance justifies preferential pricing, reduced collateral requirements, and streamlined approval processes. Banks can leverage this track record to build dedicated women's banking units with specialised products and services.

b. **Untapped Market Potential**: Growing female entrepreneurship and women's increasing economic participation create substantial market opportunities. Women control significant household financial decisions and demonstrate higher savings propensities, offering potential for deposit mobilisation alongside credit expansion. The micro and small enterprise segments, where women concentrate, remain underserved by formal financial institutions, presenting opportunities for market penetration and customer acquisition.

c. **Access to Concessional International Funding**: Development finance institutions increasingly prioritise gender outcomes, providing access to below-market funding for gender-focused lending programmes. For instance, the Green Climate Fund integrates gender considerations as essential criteria across its climate finance portfolio, while the Asian Development Bank has committed over $3 billion annually to operations that promote gender equality, and Korea Development Bank has established dedicated gender-lens investment frameworks within its sustainable finance initiatives. Blended finance mechanisms combining commercial and concessional resources improve product economics whilst building institutional capacity. International partnerships offer technical assistance, risk-sharing facilities, and performance-based incentives supporting gender portfolio development.

d. **Digital Innovation Enabling Alternative Delivery Models**: Technology platforms facilitate innovative approaches to overcome traditional gender barriers. Alternative credit scoring using psychometric testing, social network analysis, and transaction history enables lending without conventional collateral. Digital channels reduce time and mobility constraints affecting women, whilst mobile-based financial literacy programmes address knowledge gaps alongside service delivery.

e. **Synergies with Sustainability Objectives**: Integration of gender and climate objectives creates opportunities for innovative product development. Women demonstrate higher propensity for sustainable business practices and environmental stewardship, positioning them as key actors in green economy transitions. Combined gender-climate financial products can access both gender and green funding sources whilst addressing intersectional development challenges.

f. **Strengthening ESG Performance and Reputation**: Mandatory sustainability reporting requirements increase institutional focus on gender metrics and outcomes. Strong gender performance enhances ESG ratings, attracting sustainability-conscious investors and improving access to international capital markets. Leadership in gender finance builds institutional reputation, supporting talent acquisition, customer loyalty, and regulatory relationships.

Challenges of Financial Institutions

a. **Definitional Ambiguity in Women-Owned Enterprises**: Financial institutions lack consensus on classifying women-owned businesses, with uncertainty whether determination should depend on ownership percentages, operational control, or combined criteria. This ambiguity complicates portfolio tracking, impact measurement, and regulatory reporting. Banks struggle to establish consistent thresholds for women's ownership stakes and decision-making authority, leading to inconsistent data collection and undermining efforts to demonstrate gender finance impact.

b. **Insufficient Gender-Disaggregated Data Systems**: Limited availability and quality of gender-separated customer information constrains evidence-based product development. Whilst institutions begin collecting basic gender data, systems lack sophistication to capture nuanced information about business ownership structures, household financial decision-making, and gender-specific financial needs. Data inconsistencies across branches and product lines prevent comprehensive portfolio analysis and strategic planning.

c. **Absence of Regulatory Incentives**: Gender-responsive financing lacks policy support mechanisms comparable to green finance initiatives. Whilst sustainable finance receives regulatory backing through reserve requirement adjustments and mandatory disclosure requirements, gender financing operates without similar incentives. This regulatory gap reduces institutions' economic motivation to prioritise gender-focused products and limits ability to offer competitive pricing for women-targeted financial services.

d. **Institutional and Client Capacity Constraints**: Banks lack adequately trained staff in gender-responsive banking methodologies, limiting effective product design and delivery. Front-line officers often lack awareness of women entrepreneurs' specific challenges and appropriate assessment techniques. Simultaneously, women entrepreneurs face persistent digital literacy barriers and limited financial education, constraining their ability to access increasingly digitalised financial services and prepare bankable business proposals.

e. **Implementation Inconsistencies Across Networks**: Despite progressive headquarters policies, gender-inclusive practices show significant variation across branch networks. Remote and rural locations demonstrate slower adoption of gender-responsive approaches, reflecting entrenched cultural norms and limited oversight. Branch managers' individual attitudes toward women's economic participation substantially influence local implementation, creating uneven customer experiences and limiting institutional impact.

f. **Economic Viability Concerns**: Additional costs associated with gender integration lack clear revenue recognition mechanisms. Expenses for specialised training, gender impact assessments, technical assistance, and enhanced monitoring systems increase operational costs without immediate returns. Gender-focused products often require longer cultivation periods and smaller transaction sizes, challenging traditional profitability metrics and short-term performance targets.

4.3 Gender Assessment of Industrial Enterprises

This gender assessment has been prepared based on in-depth interviews with several business actors and institutions across the energy sector as well as other industries. The assessment covers a diverse range of enterprises, from state-owned utilities to small-medium enterprises led by women in energy and textile industries. This section documents perceptions of gender issues, policies that support a gender-responsive working environment, and the opportunities and challenges encountered in their implementation.

The findings reveal significant variations in how gender mainstreaming is approached across different sectors and organisational contexts. Whilst some enterprises operate in male-dominated environments where women represent a small minority of the workforce, others function with female-majority leadership and staff. These contrasting experiences provide valuable insights into the multifaceted nature of gender integration in industrial settings. The assessment also examines how organisations navigate the tension between operational requirements and gender-inclusive practices, particularly in sectors traditionally considered unsuitable for women.

Furthermore, the assessment serves as an initial overview of current conditions on the ground, providing a basis for formulating gender mainstreaming strategies that are more adaptive and context-specific. The differences in characteristics between the energy sector and other industries offer important insights that gender integration is not a uniform process. Rather, it requires the adjustment of strategies in line with the unique challenges and opportunities within each sector.

Perceptions and Experiences on Gender Issues of Industrial Enterprises

Gender issues are perceived in diverse ways among business actors. In certain contexts, female representation remains relatively low, particularly in areas of work that demand high mobility, specific technical expertise, or are considered physically demanding. There is a perspective that gender should not be viewed solely in terms of statistics, but also through the lens of quality of contribution. Characteristics often associated with women, such as attention to detail, adherence to rules, and emotional stability, are regarded as important in supporting risk governance, financial management, and organisational oversight. In this way, the discourse on gender is shifting from a focus on quantity towards one centred on the quality of contribution.

This shift in perspective is particularly evident in sectors undergoing transformation. As organisations expand beyond traditional operational roles to encompass financial management, portfolio development, and corporate actions, the demand for skills traditionally associated with women has increased. Interestingly, one respondent mentioned that through the DISC personality framework (Dominant, Influence, Steadiness, Compliance), they discovered that the steadiness and compliance characteristics required in financial fields are more commonly reflected in women. This recognition has led to a more strategic approach to gender inclusion, where diversity is viewed as a business imperative rather than a regulatory compliance measure.

In other contexts, there are business environments where women are involved in significant proportions, including at leadership levels. Such situations present a different experience, where women serve as the driving force of the organisation. The resulting workplace culture is more focused on managing flexibility, balancing domestic roles with professional responsibilities, and sustaining productivity. In other words, strong female participation can foster a supportive work environment, where solidarity and mutual support among women play a key role in maintaining organisational continuity.

Furthermore, there are business practices in which female leadership forms the very identity of the organisation. In such cases, women are not merely included but are positioned at the forefront of strategic decision-making and innovation. This identity provides a differentiating value that strengthens competitiveness, particularly as an increasing number of stakeholders emphasise inclusivity and gender equality as benchmarks for sustainability. Nonetheless, this advantage is often accompanied by challenges, such as investor scepticism, bias within business associations, and market doubts regarding the capacity of women leaders to manage large-scale projects.

These cross-cutting findings highlight that perceptions and practices of gender within business are far from uniform. In some contexts, women continue to face structural and cultural barriers, whilst in others they dominate and even become a symbol of differentiation. Gender issues must therefore be understood as a spectrum of diverse experiences, where women's roles may range from supportive contributions to strategic leadership that shapes the direction of organisations. Gender integration is thus not only a matter of representation, but also of recognition and sustainable empowerment.

Gender-Friendly Internal Policies of Industrial Enterprises

Policies supporting gender equality in business have evolved across several layers. At the most fundamental level, many organisations have begun to address the physical and biological needs of women by providing appropriate facilities, such as lactation rooms, childcare centres, maternity leave for mothers and paternity leave for fathers, menstrual leave, and reproductive health support programmes. These provisions highlight a growing awareness that female employees have specific needs that must be met to ensure sustained productivity. This aligns with global policy trends that position health, comfort, and safety as key prerequisites for an inclusive working environment.

The scope of reproductive health support has expanded beyond basic provisions to include comprehensive programmes. Some organisations provide financial assistance for fertility treatments, covering substantial portions of costs, and implement specialised leave policies for pregnancy-related circumstances including miscarriage. Additional provisions such as designated parking spaces for women and first-day-of-school leave for parents demonstrate how policies are evolving to address the full spectrum of women's professional and personal needs.

Beyond facilities, flexible working arrangements have become an important instrument in fostering women's participation. The introduction of remote working models, hybrid systems, project buffer times, and the normalisation of family-related leave are clear examples of how organisations adapt to the social realities of their workforce. Such measures not only help employees balance domestic and professional responsibilities but have also been proven to increase loyalty and reduce turnover. Flexibility, therefore, is not merely a concession but a business strategy that benefits both companies and workers.

The implementation of flexible arrangements varies significantly across sectors. Remote-first models with minimal office requirements have proven particularly effective in industries where physical presence is not essential. Some organisations incorporate time buffers of up to 25 % in project timelines to accommodate personal needs, whilst others normalise family-related absences as standard practice. This approach has resulted in increased productivity as workers compensate for time off by enhancing performance during active periods.

At a more strategic level, some organisations have extended their gender commitments to the wider community. Initiatives include providing access to technology, skills training, and even educational scholarships for employees' families and surrounding communities. This reflects a paradigm shift from viewing gender solely as an internal workplace issue to recognising it as an integral part of the broader social ecosystem. By strengthening women's capacity both within organisations and in communities, these policies contribute to long-term social sustainability.

Furthermore, gender-responsive policies go beyond facilities and flexibility by focusing on developing women's leadership capacity. Dedicated coaching, mentoring, and capacity-building programmes are designed to encourage women to take on strategic roles with confidence. This is particularly important because the greatest barriers faced by women are often not only structural but also psychological. With systematic approaches in place, such policies help women overcome the glass ceiling, strengthen decision-making confidence, and ensure the sustainability of women's leadership in the future.

Opportunities and Challenges of Industrial Enterprises

Opportunities of Industrial Enterprises

a. **Enhanced Decision-Making Through Diverse Leadership**: Industrial enterprises identify significant opportunities for competitive advantage through strategic gender integration. Organisations recognise that diverse leadership teams bring varied perspectives that enhance decision-making quality, particularly in areas requiring attention to detail, risk assessment, and stakeholder engagement. The growing emphasis on sustainability and social responsibility among investors and customers creates market opportunities for organisations that can demonstrate authentic commitment to gender equality.

b. **Market Differentiation and Trust-Building**: Women-led enterprises report advantages in building trust-based relationships with clients and stakeholders who value inclusive business practices. These organisations can differentiate themselves in competitive markets by positioning gender leadership as a core competency rather than simply a compliance requirement. The increasing availability of funding specifically targeted at women-led businesses, including government programmes and international development financing, creates additional opportunities for growth and expansion.

c. **Technology-Enabled Access to Previously Inaccessible Sectors**: Technological advancement and changing work patterns create new opportunities for women's participation in previously inaccessible sectors. Remote work capabilities, automation of physically demanding tasks, and the growing importance of analytical and management skills relative to physical strength enable organisations to tap into previously underutilised talent pools. Organisations that successfully integrate these opportunities report improved employee retention, enhanced reputation, and access to broader market segments.

d. **Alignment with Sustainability and Social Impact Priorities**: The emerging focus on environmental sustainability and social impact creates opportunities for women's leadership in green technology and sustainable business development. Women-led enterprises in renewable energy, waste management, and sustainable manufacturing report that their leadership model aligns well with stakeholder expectations for responsible business practices, creating competitive advantages in accessing funding, partnerships, and market opportunities.

Challenges of Industrial Enterprises

a. **Structural Barriers in Industrial Sectors**: Despite significant opportunities, industrial enterprises face substantial challenges in achieving effective gender integration. In sectors requiring high mobility, remote location work, or specialised technical skills, organisations struggle to attract and retain women employees. Physical demands, safety considerations, and limited residential infrastructure in industrial locations create practical barriers that require significant investment to overcome.

b. **Cultural and Institutional Bias**: Cultural and institutional barriers persist across many industrial contexts. Women leaders report facing scepticism from investors, suppliers, and industry associations regarding their capacity to manage large-scale technical projects. These biases manifest in reduced access to financing, exclusion from industry networks, and additional scrutiny of business decisions that their male counterparts do not experience. Organisations must invest considerable effort in managing these external perceptions whilst maintaining internal focus on operational objectives.

c. **Internal Management Complexity**: Internal management challenges emerge particularly in organisations with high proportions of women employees. Balancing flexibility requirements with operational demands creates complexity in project planning, resource allocation, and performance management. Organisations report needing to develop sophisticated management approaches that accommodate diverse employee needs whilst maintaining productivity standards and meeting client commitments.

d. **Financial and Resource Constraints**: Financial constraints limit many organisations' ability to implement comprehensive gender-friendly policies. Small and medium enterprises face particular challenges in providing extensive facility improvements and formal professional development programmes whilst maintaining competitive cost structures. However, these enterprises often compensate through strong social capital and informal flexibility arrangements, where women employees voluntarily increase productivity on subsequent days to offset time lost due to family circumstances or health issues, despite the absence of formal systems to track or manage such arrangements. Access to financing for gender-related investments remains limited, creating particular challenges for organisations seeking to expand their inclusivity initiatives.

e. **Capacity Building and Cultural Transformation Requirements**: Skills development and capacity building require sustained investment and management attention that many organisations find difficult to maintain alongside operational pressures. Organisations report that achieving meaningful behaviour change and cultural transformation requires long-term commitment that extends beyond initial policy implementation to encompass ongoing training, monitoring, and adjustment processes that can strain organisational resources and management capacity.

Chapter 5

Conclusions and Recommendations

5.1 Key Findings and Analysis

In Indonesia, women encounter multiple barriers to their full and equal socioeconomic participation and women is often affected disproportionately because their traditional gender roles and practices put them in a disadvantageous position. The inclusion of women in the national development agenda in every sector should go beyond considering them as passive beneficiaries. The focus should also be on empowering women to express their voice and agency. To enhance the voice and agency of women, interventions should aim to eliminate structural, legal and cultural barriers and equally ensure access to opportunities and empowerment. Gender issues must therefore be understood as a spectrum of diverse experiences, where women's roles may range from supportive contributions to strategic leadership that shapes the direction of the nation. Gender integration is thus not only a matter of representation, but also of recognition and sustainable empowerment.

In the energy sector, the gender dimensions of access to services, access to benefits, and exposure to risks and benefits are being increasingly recognised as important elements to be considered for effective policy making and programme design. The lack of access to energy affects women because of their care responsibilities in the home and inadequacy of essential services (such as water, health, sanitation). The lack of affordable energy also affects women's educational status, participation in livelihood and employment, and vulnerability to gender-based violence. Traditional norms, gender stereotypes and other exclusionary practices based on gender and other social factors can also create barriers to women's access to clean energy. In addition, lack of sufficient awareness and knowledge of benefits of using clean energy technologies also impede women's access to clean energy.

This gender assessment aims to identify key gender issues, risks, constraints and opportunities associated with gender financing in the energy efficiency sector initiative. A gender assessment is a key input to the development of a gender action plan that will inform the design of activities and Monitoring & Evaluation framework. Data-gathering and analysis in this assessment include energy policies, existing gaps and practices, and how gender mainstreaming have been conducted in the three main stakeholders namely regulatory bodies, financial institutions and industrial enterprises.

These cross-cutting findings highlight that perceptions and practices of gender within those institutions are varied and dynamic. From the regulatory landscape, key government ministries and institutions like the Ministry of Women's Empowerment and Child Protection (KPPPA), the Ministry of Energy and Mineral Resources (KESDM), the Ministry of Industry (Kemenperin), and the Financial Services Authority (OJK) each approach gender from their unique mandated perspectives—ranging from economic empowerment, social protection, equal access and opportunities for women, representation in decision making and leadership as well as financial inclusion. Whilst this multi-faceted approach is valuable, it has resulted in a lack of cohesive, tailored and operational guidance specifically for supporting gender financing in energy efficiency sector. For instance, the implementation of gender budgeting and gender tagging policy endorsed by KPPPA is still limited especially in the regional governments. Kemenperin's industrial decarbonisation roadmap does not yet explicitly incorporate the gender dimension, and OJK's Sustainable Finance Taxonomy (TKBI), whilst mandating social and gender considerations as essential criteria, lacks specific operational directives for its implementation in the Energy Efficiency context. This regulatory gap creates ambiguity and leaves gender integration at the periphery of core sectoral strategies rather than embedding it as a central pillar.

In financial institutions, there is a growing, business-driven appreciation for gender-responsive finance. The recognition that women entrepreneurs exhibit superior credit performance with lower non-performing loan (NPL) ratios has begun to shift the perception of gender inclusion from a corporate social responsibility (CSR) activity to a core business strategy. This has catalysed the development of targeted financial products for women-owned MSMEs and the establishment of internal diversity and inclusion frameworks. However, this progress is hampered by significant challenges. A lack of consensus on the definition of "women-owned enterprises" complicates tracking and reporting, alongside insufficient gender-disaggregated data systems, gender biases, and the absence of regulatory incentives comparable to those for green finance. Furthermore, energy efficiency financing, despite its alignment with the broader sustainability agenda, shows minimal gender integration, representing a significant missed opportunity to support inclusivity in green and blue economy.

The experiences of industrial enterprises reveal a spectrum of gender integration, from male-dominated sectors grappling with structural barriers to women-led businesses that have made inclusivity a cornerstone of their identity and competitive advantage. This diversity highlights the need to tailor an ecosystem for effective gender mainstreaming ranging from gender financing in infrastructures designed intentionally to benefit women, and creating women-friendly business environments with amenities like childcare. Whilst many enterprises have implemented gender-friendly policies such as providing lactation rooms, childcare support, and flexible work arrangements, these are often constrained by financial limitations, particularly among SMEs. Women entrepreneurs continue to face cultural and institutional biases, including scepticism from investors and exclusion from traditional industry networks, which curtails their access to capital and growth opportunities. These ground-level realities underscore the necessity for policies and financial products that are not only gender-sensitive but also context-specific and adaptive to the unique challenges of different industrial sectors.

5.2 Strategic Recommendations

Looking forward, the path to enhancing gender-inclusive financing in Indonesia's industrial energy efficiency sector requires a multi-pronged strategy focused on policy harmonisation, data-driven innovation, capacity building, addressing time poverty in women, and shifting gender norms.

First, national policies and strategies must prioritise regulatory coherence. This involves embedding clear, measurable, and mandatory gender indicators within key national strategies, including the industrial decarbonisation roadmap and the operational guidelines for the TKBI. OJK can play a pivotal role by introducing regulatory incentives for gender-responsive financing, similar to those for green finance, to create a compelling business case for financial institutions to innovate and scale their offerings.

Furthermore, fostering structured inter-ministerial collaboration is essential to ensure inclusive policies and programmes.

Second, the chronic lack of robust, gender-disaggregated data should be addressed. A national effort, led by relevant ministries and supported by OJK, is needed to establish standardised definitions and data collection protocols for women's participation in the economy, particularly in enterprise ownership and leadership. This will enable financial institutions to accurately track their portfolios, design evidence-based products, and report on their gender impact with credibility. For industrial enterprises, better data can illuminate the specific barriers women face and inform the design of more effective internal policies.

Third, capacity building must be strengthened at all levels through targeted sectoral interventions. Financial institutions need to invest in training their staff, from front-line officers to senior management, in gender-responsive banking methodologies that look beyond traditional collateral-based lending. Specific and tailored training programmes are needed for women to increase their capacity and expand their networks. Industrial enterprises, particularly SMEs, require technical assistance to develop and implement gender-inclusive policies and to prepare bankable, gender-responsive energy efficiency project proposals. Concurrently, targeted financial literacy and digital skills training for women entrepreneurs are crucial to enhance their ability to access and leverage formal financial services.

Fourth, addressing time poverty in women is essential for their participation in formal and informal economic activities. Women disproportionately bear the burden of unpaid care and domestic work, which restricts their career advancement opportunities. The "disproportionate burden of care" refers to the unequal distribution of caregiving responsibilities, with women shouldering most of the unpaid care and domestic work, leaving them with fewer opportunities for paid employment and career advancement. This imbalance forces women to juggle between caregiving and formal jobs, often at the cost of their economic progress.

Finally, whilst shifting entrenched gender norms and attitudes can be challenging, there is potential in educational initiatives targeting younger girls and boys. For example, interventions challenging traditional gender norms through comprehensive education and awareness programmes that promote girls' education, advocate for gender equality, and educate communities on men and women's rights are important. Programmes focused on women's economic empowerment, such as through vocational training, microfinance, and support for women's cooperatives, also contribute to shifting norms.

Specific Recommendations by Stakeholder Group

A. **Regulatory Bodies and Government Agencies (OJK, Kemenperin, KESDM, KPPPA)**

1. **Integrate Gender into Core Sectoral Policies**: Move beyond treating gender as a peripheral issue by embedding explicit, mandatory, and measurable gender indicators into key national policies.

    a. KPPPA should ensure that national development plans like the RPJPN 2025–2045, which already identify gender as a priority, are operationalised with clear gender-responsive budgeting and monitoring in the industrial and energy sectors.
    b. The Ministry of Industry (Kemenperin) should revise the industrial decarbonisation roadmap to include specific targets and metrics related to women's participation, employment, and access to benefits from the green transition.
    c. The Ministry of Energy and Mineral Resources (KESDM) should link its affirmative programmes for women, such as SRIKANDI and Patriot Energi, to tangible financing and leadership opportunities within the energy sector.

2. **Provide Clear Operational Guidelines for Sustainable Finance**: The Financial Services Authority (OJK) must translate high-level principles into actionable requirements for the financial sector.

    a. Develop and disseminate specific operational guidelines for implementing the social and gender equality components of the Indonesian Sustainable Finance Taxonomy (TKBI). These guidelines should detail how financial institutions can assess, monitor, and report on gender impacts within Energy Efficiency projects.
    b. Clarify how the Sector-Agnostic Decision Tree (SDT) approach for MSMEs can be applied with a gender lens to ensure small, women-owned businesses are not excluded from sustainable financing.

3. **Establish Regulatory and Financial Incentives**: Create a compelling business case for financial institutions to prioritise gender-inclusive financing.

    a. Introduce regulatory incentives for financial products that target women-owned enterprises or integrate strong gender components, similar to the policy support mechanisms available for green finance. This could include adjustments to risk-weighting or reserve requirements.
    b. Promote the integration of gender KPIs into innovative financing schemes like Kemenperin's Green Industry Service Company (GISCO) and Sustainability-Linked Loans (SLLs).

4. **Lead a National Initiative on Gender Data**: Address the critical data gap that hampers evidence-based policymaking and product development.

    a. Establish a multi-stakeholder task force to create a standardised, nationally recognised definition of "women-owned" and "women-led" enterprises to ensure consistent tracking and reporting.
    b. Mandate the collection and reporting of gender-disaggregated data for financial portfolios and industrial workforces to address the current insufficiency, which limits systematic impact assessment.

B. Financial Institutions

1. **Proactively Integrate Gender into Green and EE Financing**: Embed gender as a core component of sustainable finance strategy.

    a. Develop and require a gender analysis or gender action plan as part of the due diligence process for all EE and green infrastructure projects.
    b. Explicitly incorporate gender-related KPIs into sustainable finance products like SLLs, linking interest rates to achievements in women's leadership, employment, or procurement from women-owned businesses.
    c. Designate a portion of green financing portfolios specifically for projects that deliver clear and demonstrable benefits for women.
2. **Innovate Products and Delivery Channels for Women Entrepreneurs**: Move beyond conventional lending practices to address the unique barriers women face.

    a. Develop and scale lending products that reduce reliance on traditional physical collateral by utilising alternative data for credit scoring, cash-flow-based assessments, and group lending model.
    b. Enhance digital financial services and agent banking networks to reduce the time, mobility, and safety constraints that disproportionately affect women, particularly in rural areas.

3. **Invest in Institutional Capacity and Culture**: Ensure that gender-inclusive policies are understood and implemented effectively across the entire organisation.

    a. Implement comprehensive and mandatory training for all staff, especially loan officers and risk managers, on gender analysis, unconscious bias, and gender-smart investment to bridge the gap between headquarters policies and branch-level implementation.
    b. Upgrade internal Management Information Systems (MIS) to effectively capture, analyse, and utilise gender-disaggregated customer data for strategic decision-making and product innovation.

C. Industrial Enterprises

1. **Formalise and Strengthen Gender-Inclusive Workplace Policies**: Create an enabling environment that attracts, retains, and promotes female talent.

    a. Go beyond providing basic facilities by developing formal policies and programmes for mentorship, leadership training, and career progression for women, particularly in technical and managerial roles traditionally dominated by men.
    b. Implement and normalise flexible working arrangements to help all employees, especially women, balance professional and domestic responsibilities, thereby increasing loyalty and productivity.

2. **Embed Gender into EE Project Design and Proposals**: Enhance the bankability of EE projects by demonstrating clear social co-benefits.

    a. When planning EE investments, conduct a gender assessment to identify how the project can create opportunities for female employees, such as training on new energy-efficient equipment or creating safer working conditions.
    b. Explicitly include gender-related goals and outcomes in financing proposals to align with the growing emphasis of financial institutions on ESG performance and access dedicated gender-lens funding.

3. **Champion Women's Leadership and Challenge Biases**: Foster diversity in decision-making and actively work to overcome systemic barriers.

    a. Establish clear targets for increasing women's representation in leadership and on boards of directors, recognising that diverse perspectives improve risk management, innovation, and overall business performance.
    b. For women-led enterprises, actively engage in industry associations and business networks to challenge investor scepticism, build alliances, and advocate for equitable access to finance and market opportunities.

5.3 Implementation Pathway Forward

In conclusion, Indonesia has laid a promising foundation for gender-inclusive development. The challenge now lies in moving from principle to practice, from fragmented initiatives to a cohesive ecosystem. By harmonising regulations, building a robust data infrastructure, investing in capacity, shifting gender norms, and fostering financial innovation, Indonesia can unlock the immense potential of its women as key agents in the transition to a more energy-efficient, competitive, and equitable industrial future.

The success of this transformation requires coordinated action across institutional boundaries, with particular attention to addressing the time poverty experienced by women and shifting entrenched gender norms through comprehensive education and awareness programmes. The pathway forward emphasises moving from fragmented initiatives towards a cohesive ecosystem that recognises and leverages women's contributions as essential drivers of Indonesia's sustainable development trajectory.

This gender assessment provides the foundation for developing comprehensive gender guidelines that integrate gender considerations into policy design, enforcement, and monitoring systems. It will foster an enabling environment for inclusive finance and contribute to a gender-inclusive energy efficiency financing framework that serves as a strategic reference by integrating policy, financial, and institutional approaches into a cohesive system for Indonesia and, potentially, other ASEAN member states. This document is a foundational work for the gender guidelines that will propose actionable measures to improve gender responsiveness across institutions and programmes, serving as a practical tool to guide future reforms, build institutional capacity, and ensure the sustainability of gender integration in line with donor and government priorities, with potential for replication across the ASEAN region.

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