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Situational Report
1st Quarter 2026

This First Quarter Situational Report (Q1 2026) is a joint publication by Amanah Daya Nusantara (AYANA) and Daya Makara Universitas Indonesia (DMUI). It provides a brief overview of key developments in Indonesia's climate governance landscape, highlighting emerging policy trends, public perceptions, stakeholder dynamics, and the role of faith-based actors in advancing climate action and sustainable development.

Data 1

97th Ranked in ND-GAIN Country Index 2023

Indonesia is recognized as vulnerable to climate change impacts, ranked 97th out of 187 countries in the 2023 Notre Dame Global Adaptation Initiative (ND GAIN) Country Index.

Data 2

75% Indonesians Possess Limited Knowledge of Climate Change

75% of Indonesians claimed that they either possess limited knowledge about climate change or never heard about it, according to a survey by Yale Program on Climate Change Communication in 2021.

Data 3

164th Ranked in Environmental Performance Index

Indonesia's environmental performance remains an area for improvement, with the country ranking 164th out of 180 countries in the recent 2024 Environmental Performance Index (EPI).

Overview Of Climate Governance In Indonesia

- **Indonesia has progressively ramped up its climate pledges on global stages.** The Indonesian government submitted its Second Nationally Determined Contribution (SNDC) in 2025 to restrict global warming below 1.5°C and build resilience towards adverse climate impacts. The latest SNDC still relies heavily on extractive and carbon-intensive sectors, creating a growing tension between climate commitments and development priorities.
- **The recent Environmental Performance Index (EPI) results for Indonesia highlighted specific areas where environmental initiatives can be further strengthened within the country.** The 2024 result positioned Indonesia in rank 164th out of 180 countries (total score 33.6). Sectoral performance showed mixed results: agriculture performed relatively well with a score of 72.2 (rank 23), but forests and fisheries continued to demonstrate limited progress. These results matter because climate impacts directly affect commodity production and value chain that is the center of vulnerable communities' source of income and food sovereignty, yet they remain underserved across Indonesia's climate governance frameworks.
- **Indonesia's climate governance framework is characterized by a decentralized and sectoral approach, in which individual technical ministries are responsible for formulating climate strategies and commitments under the NDC framework.** The Ministry of Environment (KLH) serves as the primary coordinating body for Indonesia's NDC implementation. However, there remains a significant gap between national commitments and local implementation, as climate policies are often ineffective on the ground due to fragmented governance and limited translation of national frameworks into local action.

- **The issuance of Presidential Decree 110/2025 features formal validation of Voluntary Carbon Market (VCM) that fundamentally restructure Indonesia's system for carbon governance.** The decree's broad framework has been operationalized through the Ministry of Forestry Regulation 6/2026 on carbon trading for the forestry sector. Meanwhile, the Ministry of Energy and Mineral Resources Regulation 16/2022 on the economic value of carbon for energy sector as a pre-existing instrument now consolidated under the decree. To this date, there has not been any technical guidance for carbon governance in agriculture and coastal sectors that are central to Indonesia's food security, rural livelihoods, and economic stability.
- **Indonesia Taxonomy for Sustainable Finance (TKBI), issued by Financial Service Authority (OJK), is not merely a financial taxonomy, but part of Indonesia's broader effort to build the institutional architecture for a green transition, as implementation continues to evolve.** TKBI defines and identifies economic activities that support both ecological sustainability and climate goals. The latest version of TKBI, released in 2026,added agriculture, forestry, manufacturing, and waste management sectors into its scope.

The Growing Chasm Between Climate Facts And Public Belief



- **The World Bank's 2023 Country Climate and Development Report further notes that Indonesia's climate policy implementation has been slow due to weak inter-ministerial coordination, regulatory gaps, and fiscal unreadiness,** with overlapping institutional mandates, and limited private financing.
- **Persistent public misperceptions and low climate literacy reflect climate narratives disconnected from everyday economic and social realities.** A 2021 survey by Yale Program on Climate Change Communication (YPCCC) found that around three-quarters of respondents showed little or no knowledge about global warming, with around 44% mistakenly equating climate change with "a transition from rainy season to dry season" or "seasonal changes of weather within one year". The respective gap is widened by how policy makers and media discuss climate change in language that often fails to bridge the divide between policy and lived experience. Consequently, climate change enters public conversation only during crises rather than as an everyday concern.
- **Establishing climate justice regulation is a key to bridge political legitimacy with grassroot trust and local ownership.** Indonesia ranks 48th out of 191 countries in the 2023 INFORM Risk Index. Public complaints regarding climate change as a human rights violation, filed to the National Human Rights Commission on July 14, 2022, expose this legitimacy gap, while maladaptation and contradictory provisions in sectoral regulations such as Law No. 3/2020 on Mineral and Coal, which weakens environmental instruments by facilitating licensing under National Strategic Project (PSN) expansion at the cost of grassroots participation and community resilience.
- **Polarization related to climate change remains low, but stronger engagement is needed to prevent social and political tension on the ground during the transition process.** The government has introduced major climate policies through the Long-Term Strategy for Low Carbon and Climate Resilience 2050 (LTS-LCCR), the Low Carbon Development Initiative (LCDI), and climate budget allocations amounting to around 4.3% of state expenditure between 2016-2021. Indonesia has not yet experienced high levels of polarization over climate change as stated in the 2023 Edelman Trust Survey. However, tensions surrounding energy transition are increasingly emerging at the local level, particularly in regions dependent on extractive industry where concerns over jobs displacement, land access, and unequal economic burdens continue to shape public distrust and social tension.

Faith In The Field:

Bridging Climate Literacy Through Faith



- **Faith institutions hold significant potential in supporting climate action because they function as a trusted social infrastructure, shaping behavior, and community life.** A 2021 study by the United Nations Environment Programme (UNEP) found that more than 80 percent of the global population carries spiritual values in their everyday lives. In Indonesia, where over 87 percent of the population identifies as Muslim according to the 2025 Ministry of Home Affairs data and nearly all citizens formally affiliate with a recognized religion, faith networks offer an existing system of trust and moral authority through which climate action can be legitimately embedded.
- **Climate action is increasingly recognized as a socio-political challenge, particularly where public trust in formal institutions and technocratic climate narratives remains limited.** In Indonesia, a 2026 survey by Indikator Politik Indonesia found a relative decline in public trust toward government institutions between 2024 and 2026. Faith networks emerge not only as advocates for climate awareness, but as a trusted social infrastructure through which climate agendas can gain legitimacy where state-led channels increasingly cannot.
- **This shift is reflected in global climate forums such as the Conference of the Parties (COP)**, where the first-ever Faith Pavilion was established at COP28, followed by discussions at COP29. These developments reinforce the case for Indonesia to advance climate agendas through faith networks as a trusted social infrastructure rather than through technical or institutional channels alone.
- **In Indonesia, faith actors expand the role of climate engagement across multiple dimensions**, including leading by example, advocacy and accountability, bridging science and religion, and prioritizing vulnerable populations, reflecting not only what they advocate for but the trusted social infrastructure they represent. However, despite the growing visibility of faith-based climate initiatives, many efforts remain insufficiently connected to the realities of rural communities.
- **Many programs still operate primarily at national or global levels, despite rural areas facing more acute climate vulnerability.** The 2024 socio-cultural statistics report by Statistics Indonesia (BPS) shows that rural areas have higher levels of religious activity, while village leaders, farmers, and religious authorities collectively form what can be described as a "rural power triangle" shaping local decision-making on livelihoods, land governance, and rural development.



Climate Mandate From Heaven:

How Islamic Law Is Mobilizing Inter-Faith Grassroots Environmental Action

- **Indonesia's top Islamic authority, the Indonesian Council of Ulama (MUI), issued Fatwa 86/2023 that set environmental protection both a civic and religious duty for Indonesia's 251,26 million Muslims referring to the 2025 Ministry of Home Affairs data.** The Fatwa itself is the fifth environment-related Fatwa that has been released after Fatwa MUI 22/2011 about environmentally friendly mining, Fatwa MUI 04/2014 about endangered species preservation, Fatwa MUI 41/2014 about waste management, and Fatwa MUI 30/2016 about forest fire and wildfire management. Rooted in the Islamic principle of khalifah fil ardh, the belief that God entrusted human beings to protect the earth, Fatwa 86/2023 is clear in its mandates:

  > Any action that damages nature and contributes to the climate crisis is haram (forbidden).

  > Uncontrolled deforestation and forest burning are haram.

  > Every Muslim is obligated to support climate mitigation and adaptation, reduce their carbon footprint, and work toward a just energy transition.

  > Religious leaders must actively incorporate climate awareness into their teachings and lead by example in their places of worship.

- **Fatwa MUI 86/2023 marks a historic shift by becoming the first official religious decree to classify the fight against climate change as a binding Sharia duty.** Research in 2025 highlights that the fatwa reconstructs the concept of prosperity by positioning ecological balance as a prerequisite for achieving the objectives of Islamic law (maqāṣid al-syarī'ah), while also establishing environmental protection as a binding religious obligation rather than a voluntary moral act.

- **Despite the Fatwa's positive intentions, MUI reported that only 30.38% of Indonesian Muslims are aware of the Fatwa.** It requires tangible action that people can relate to and take part in. Efforts to integrate Islamic ethics with concrete environmental action already existed in numerous sites by the time this Fatwa was released. However, their association with the plans to improve Muslims' knowledge of this Fatwa remains unconfirmed.