

Climate Change & Low Carbon Development in Indonesia

Liana Bratasida

Assistant Minister for Global Environmental Affairs and
International Cooperation Ministry of Environment - Indonesia



2nd ASEM Development Conference
Yogyakarta, 26 – 27 May 2010



Indonesia's view of Low Carbon Development

- Transformation in the trajectory of economic development to sustainable development.
- Resources-efficiency approach and internalizing value of natural resources and environment, eradicating poverty, creating green jobs, and ensuring sustainable economic growth.
- Win-win solution between environmental protection and economic growth.
- Should be adjusted based on the condition and needs of each country.

Legal Basis of Low Carbon Development in Indonesia

1. Law of the Republic of Indonesia No. 6/1994 on the Ratification of UN Climate Change Convention
2. Law of the Republic of Indonesia No. 30/2007 on Energy
3. Presidential Instruction No. 2/2008 on Energy and Water Efficiency
4. Law of the Republic of Indonesia No. 32/2009 on Environmental Protection and Management

Indonesia's Pledge for Emission Reduction*

Statement by President Soesilo Bambang Yudhoyono

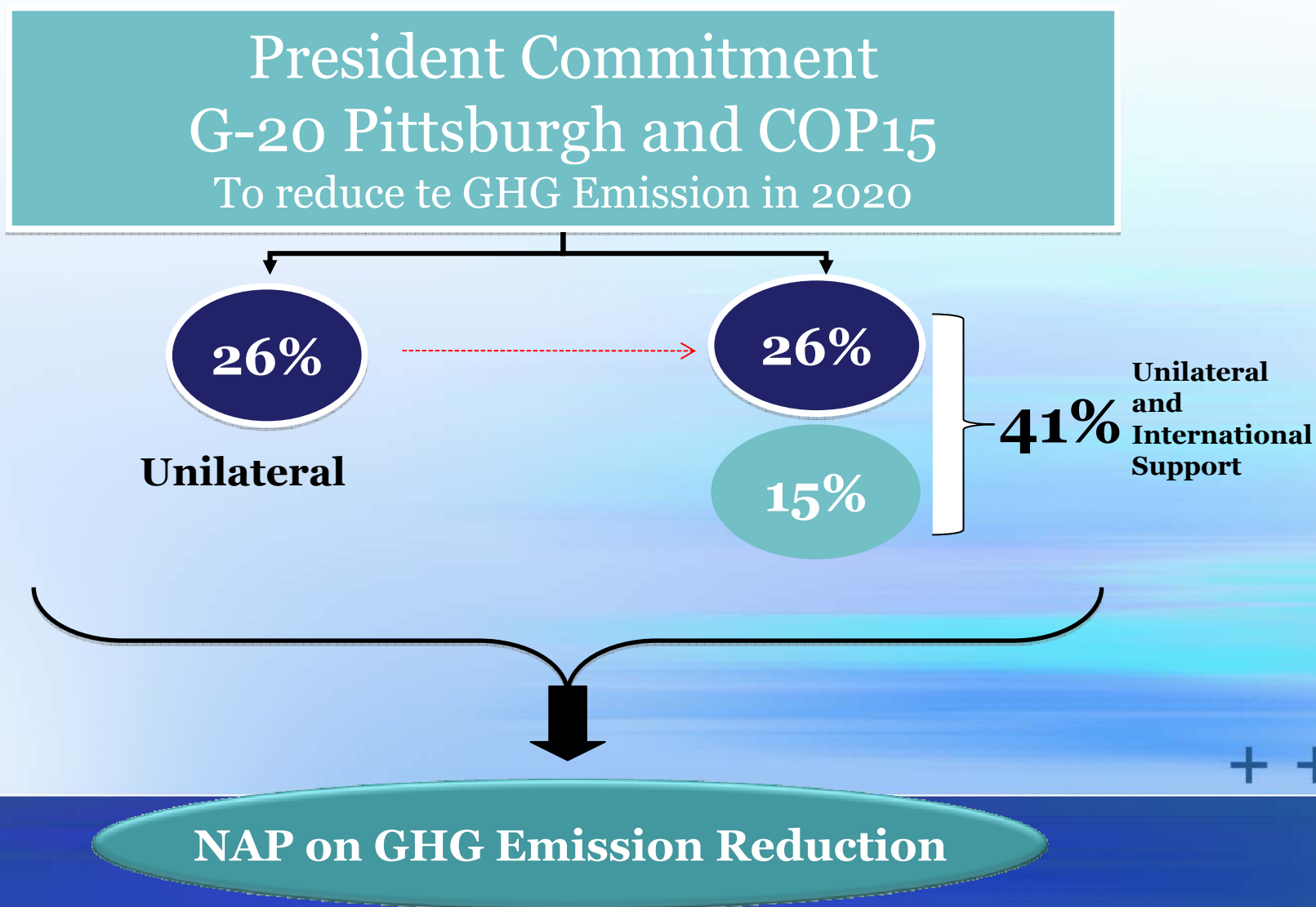
“We are devising an energy mix policy ... that will reduce our emissions by 26 percent by 2020. With international support, we are confident we can reduce emissions by as much as 41 percent.”

“We are also looking into the distinct possibility of committing a billion tons of CO2 reduction by 2050. We will change the status of our forests from that of a net emitter sector to a net [carbon] sink sector by 2030”



*Stated at the G20 Summit on Sept 2009 and reiterated at UNFCCC COP 15/CMP 5 on Dec 2009

Scenario of 26% GHG Emission Reduction

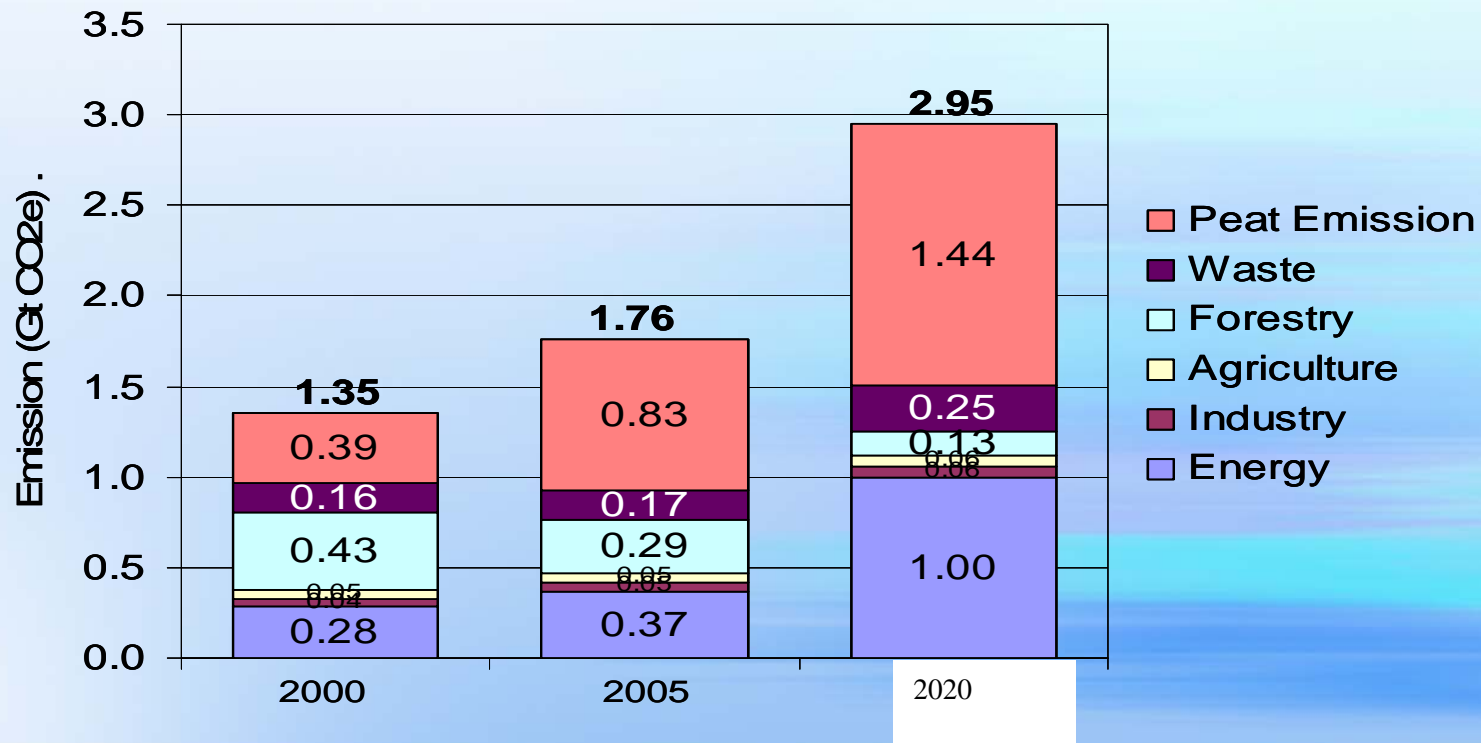


National Action Plan for GHG Emission Reduction 2010-2020

Ministry of Environment along with National Development Plan Agency and National Council on Climate Change coordinated the Action Plan based on submission from all other sector in national and local level.

Mitigation Strategies

- Non-binding emission reduction target of 26% will be equal to 0.767 Gt.
- Reduce further to 41%, an additional emission reduction of about 0.422 Gt.
- Key source categories are peat emission, forestry, energy and waste

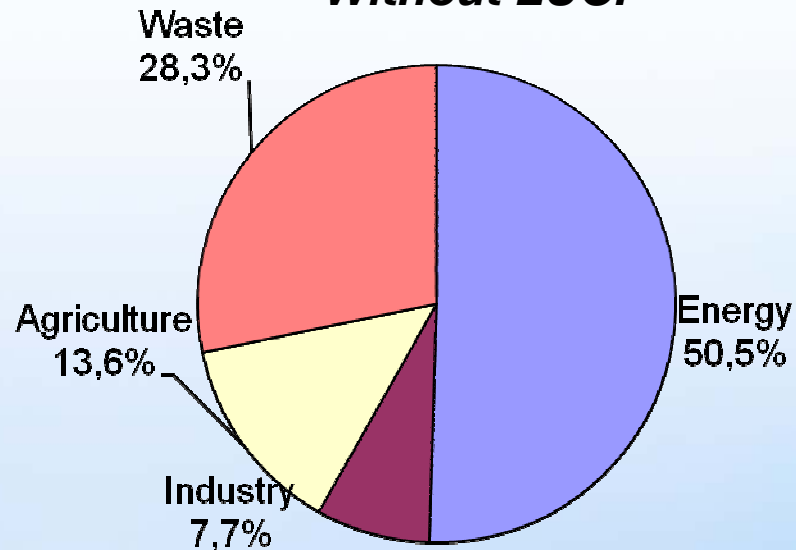


Policy Arrangements

- National Communications
- GHG Inventory
- National Action Plan for GHG Emission Reduction
- Indonesia Climate Change Trust Fund/ICCTF
- Indonesia Climate Change Sectoral Roadmap/ICCSR

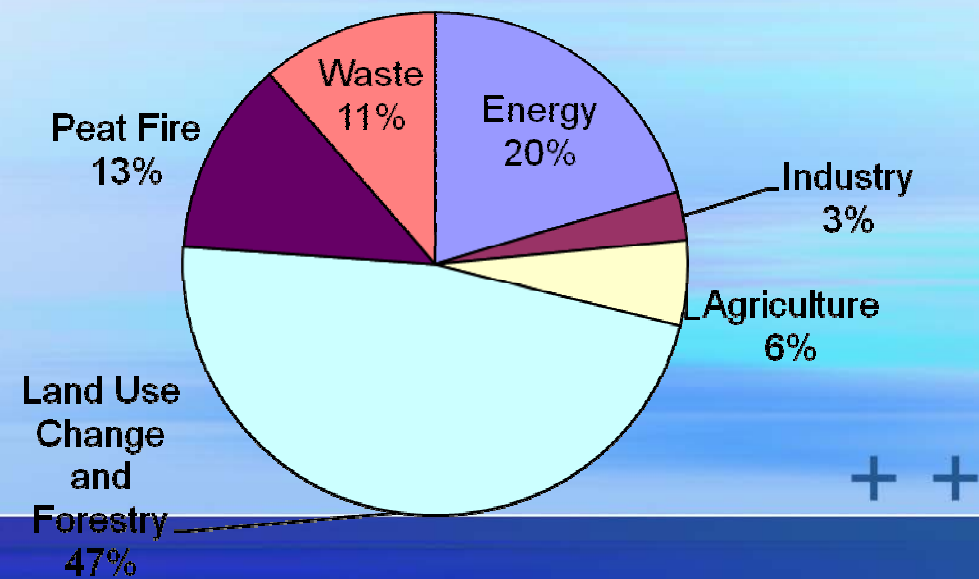
Indonesia's National GHG Inventory 2000

Without LUCF



Sector	Gg CO ₂ e
Energy	280,938
Industry	42,815
Agriculture	75,420
Land Use Change and Forestry (excl. peat fire)	649,254
Peat Fire	172,000
Waste	157,328
Total without LUCF	535,730
Total with LUCF (incl. peat fire)	1,356,984

With LUCF

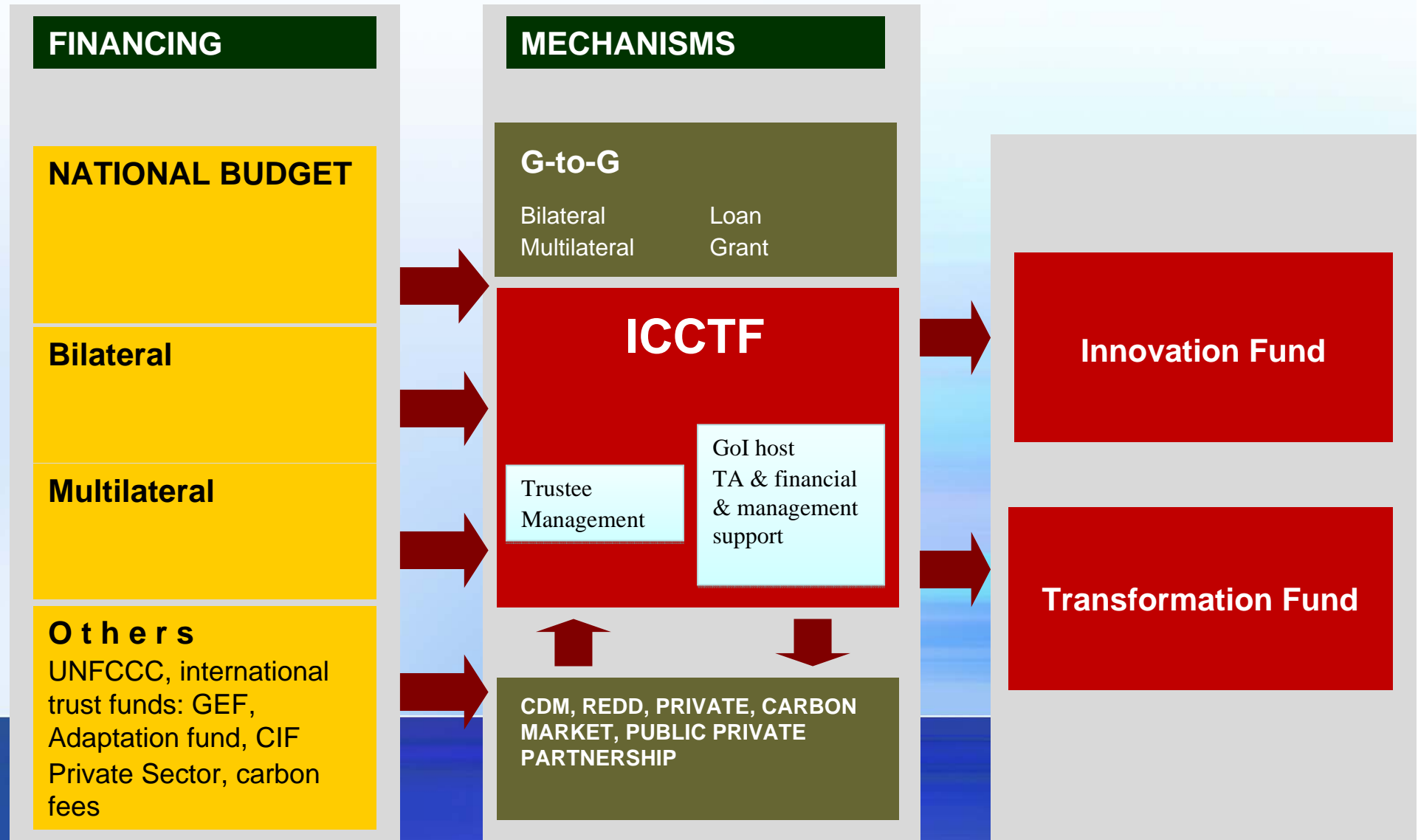


Source: MoE, 2009

National System for GHG Inventory (SIGN)

- Establish national system for GHG Inventory (SIGN) for managing national GHG Inventory. This is to ensure that Indonesia produce high quality GHG Inventory (accurate, transparent, consistent) → enhance reporting on its actions, and thus gain recognition for actions taken
 - Activity data for the key source categories
 - Process of data collection from sources to sectoral statistical data centers and BPS?
 - QA/QC: mechanism for checking quality data. Need standardization QA/QC process?
 - Data uncertainty ~ Process and methods for checking uncertainty of activity data ~ Need standardization?
 - Improvement of emission factors
 - Standardization of methods for generating local emission factors?
- Process for Internal/external review of the National GHG Inventory + +

ICCTF and international financing schemes



Indonesia Climate Change Sectoral Roadmap (ICCSR)

- Only recently launched in March 31, 2010, ICCSR was meant to be the guideline for central and local government toward low carbon development plan.
- Comprised of strategies from 9 government sector: Forestry, Energy, Industry, Transport, Waste, Agriculture, Ocean& Fisheries, Water, and Health.
- Divided into Mitigation strategy (Forestry and Peatland, Energy, Industry, Transport and Waste) and Adaptation Strategy (others).

Other Basis regarding Low Carbon Development

- Policy/Regulation on Environment:
 1. Presidential Instruction No. 3/2006 regarding Environmental Impact Assessment (AMDAL/Analisa Mengenai Dampak Lingkungan).
 2. Ministry of Environment regulations No. 18/2009 regarding Permission to Manage Hazardous Substances/Wastes.
 3. Indonesia's Action Plan in Dealing with Trans-boundary Haze Pollution (in process).

Other basis regarding Low Carbon Development -cont.

- Bilateral and Multilateral cooperation

1. With the Netherlands:

ECN (Energy research Center of the Netherlands) Policy Studies: “Paving the way for Low-Carbon Development Strategies”

2. With Japan:

IGES (Institute for Global Environmental Strategies): “Cities and Low Carbon/Low Polluting Society”

3. With Norway:

“Towards a Partnership for Low Carbon Emission Development”

(Joint Statement between the President of Indonesia and the Prime Minister of Norway)

4. World Bank:

Eco2Cities: “Ecological Cities as Economic Cities:

The World Bank's New Urban Development Initiative”



Challenges and Opportunities

- Indonesia is seeking to reform economic and fiscal policy to meet low-carbon economy objective. A range of government-led studies is underway in Indonesia that looks at options to reduce emissions, such as:
 1. provide domestic enabling conditions supported by innovative financing mechanisms as well as policy reforms (fiscal/pricing policy, standards, education capacity building)
 2. create public and private partnership and including green investment funding mechanisms
 3. green investment at the core of the stimulus packages include green investment in regular government budget
 4. provide global enabling conditions (trade, IPRs, ODA, TT and environmental agreements)



Low Carbon Development Activities In Indonesia

- Green Industry (Low Carbon, Cleaner Production, 3R)– Ministry of Industry
- Green Economy – Ministry of Environment
- Green Building – Ministry of Environment (Ministry Regulation no. 08/2010)
- Sustainable Transportation (Public Transportation System, Eco Airport)– Ministry of Transportation
- Sustainable Agriculture Development – Ministry of Agriculture
- Sustainable Forest Management – Ministry of Forestry
- Sustainable Development-based Spatial Planning – Ministry of Public Work
- Green Banking/Sustainable bank – National bank of Indonesia/BNI, Bank Mandiri
- Green Investment (Socially Responsible Investment/SRI): Bapepam and Indonesia Stock Exchange
- Energy Self-sufficient Village
- Climate Village



Measures for improvement in Low Carbon Development implementation

1. Public awareness
2. International and regional cooperation in capacity building, financing, and transfer of technology
3. Clearing house on energy conservation
4. Partnership program on energy conservation
5. Standardization and labeling program

Conclusion

- There are already many activities regarding Low Carbon Development Path in Indonesia
- The activities are sporadic, thus difficult to be measured
- To enhance LCDP, we need strong coordination among sectors, between public and private institutions, and between central and local government.
- Indonesia needs international support to enhance the implementation of LCDP in three areas: development and transfer of technology, financial, and capacity building



DIOLCH SHUKRAN
Diyavaad
Salamat Khawp khun
Danke ASANTE **HVALA**
Thank you
Terima kasih Arigato
Spasibo SHUKRIYA
Doh je sin. **GRACIAS**
Doh je sin. merci
Maururuu roa

