Update on Indonesia Climate Change Policy Development

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Accelerating Private Sector Participation towards Low Carbon Development in Indonesia

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Principles for Climate Change Policy in Indonesia:

Republic of Indonesia

Article 3.4 of UNFCCC

'policies and measures to protect the climate system against human-induced … **should be integrated with national development program**…'

Article 4.7 of UNFCCC

'The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology and **will take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties**.'
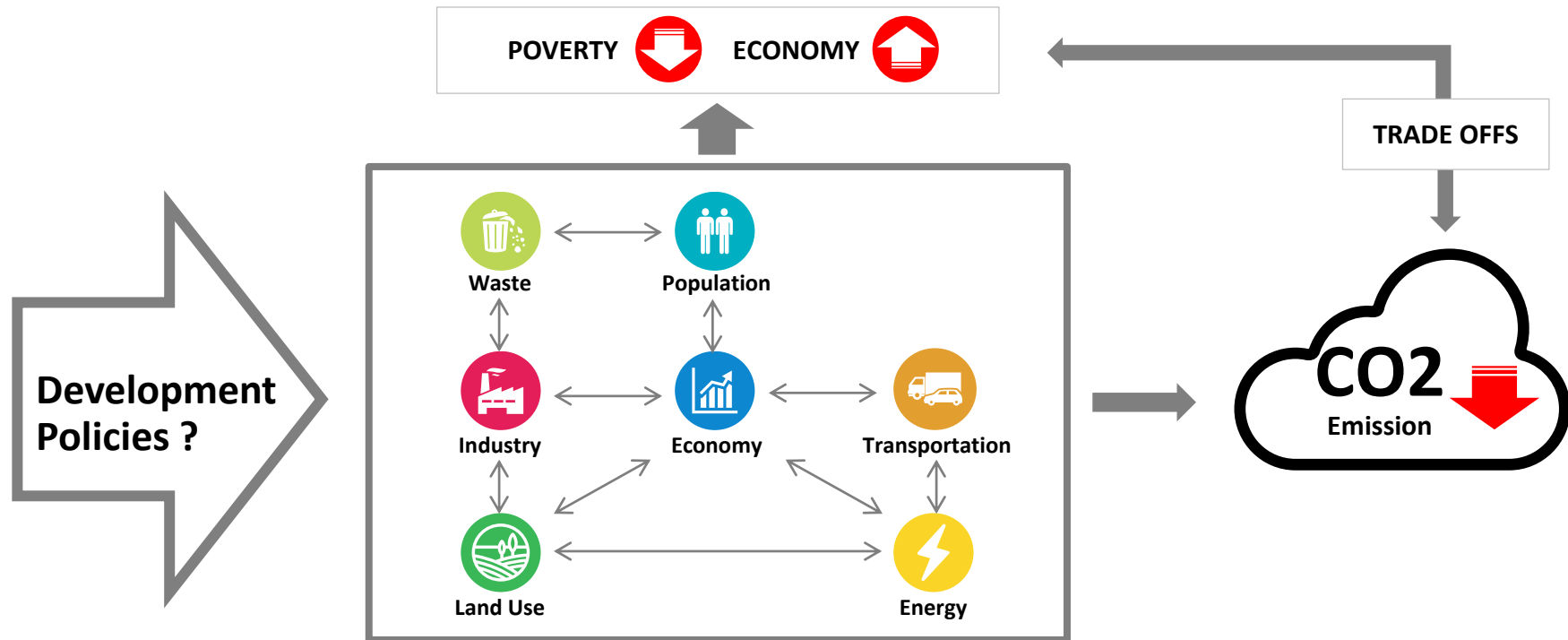
Article 2 Paris Agreement

This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of **sustainable development and efforts to eradicate poverty**.

Logical Framework of Climate Change Policy Exercise in Indonesia:
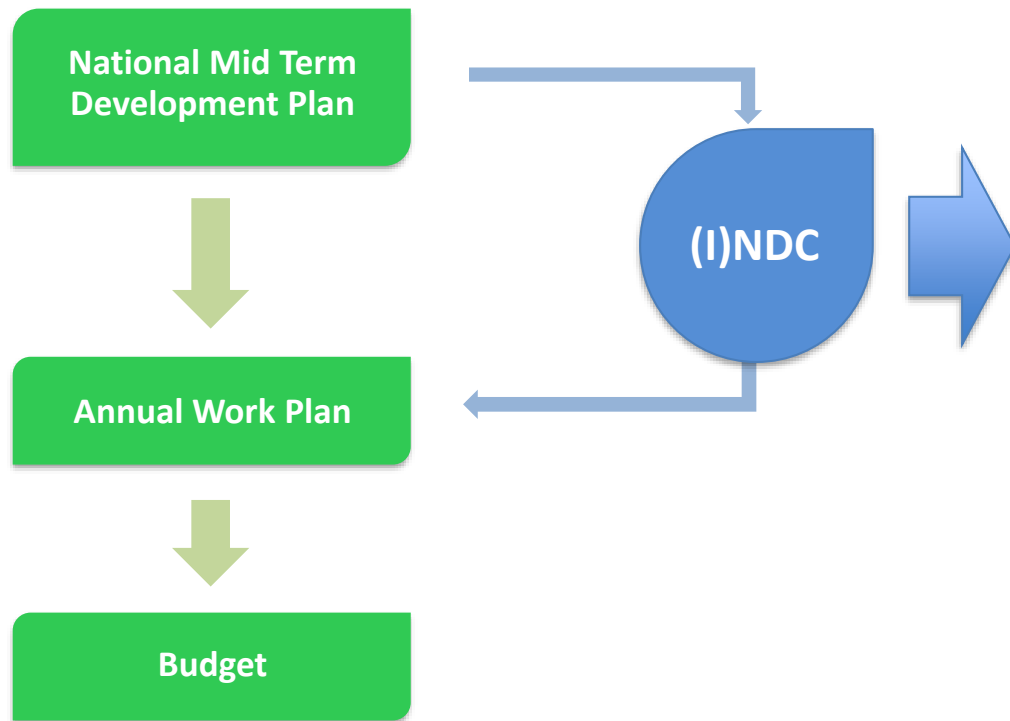
Focus for NDC Partnership:
develop and implement sustainable development policies aiming toward strengthening economy, reducing poverty and GHG emission

Mainstreaming (i)NDC into Development Policy Agenda

Republic of Indonesia

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National Mid Term Development Plan
        ↓
Annual Work Plan
        ↓
Budget
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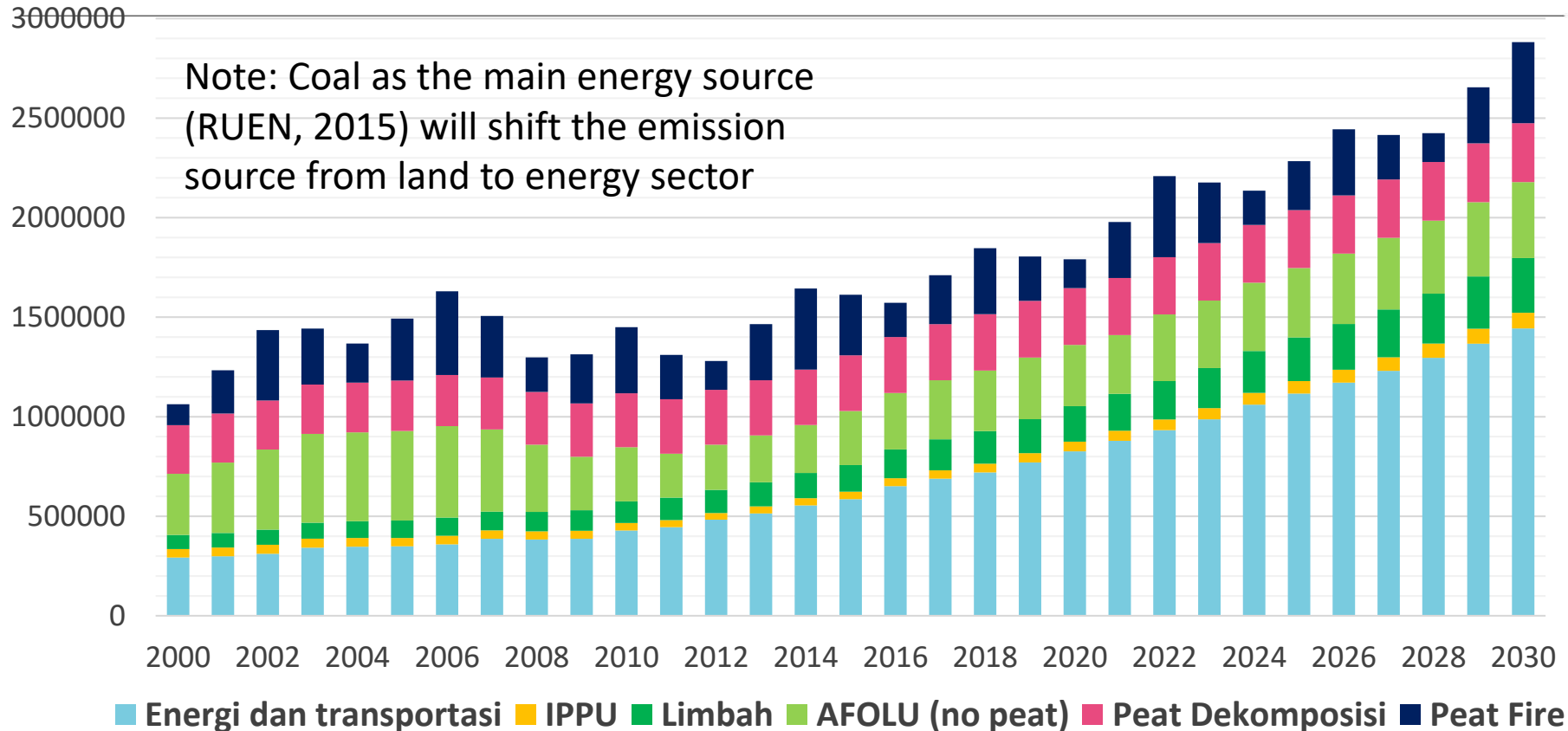
(I)NDC

- Indonesia Ratify Paris Agreement (Law No.16/2016)
- No. 103 among UNFCCC parties
- Plan to prepare investment strategy for 2020-2030.
- Prepare database for (i)NDC
- Improving (i)NDC regularly
- Prepare the Presidential Regulation for Low Emission Development Strategy and SDGs
- Input for Indonesia Vision 2045

Aligment between Climate and Development Agendas with long term emissions mitigation and adaptation impact

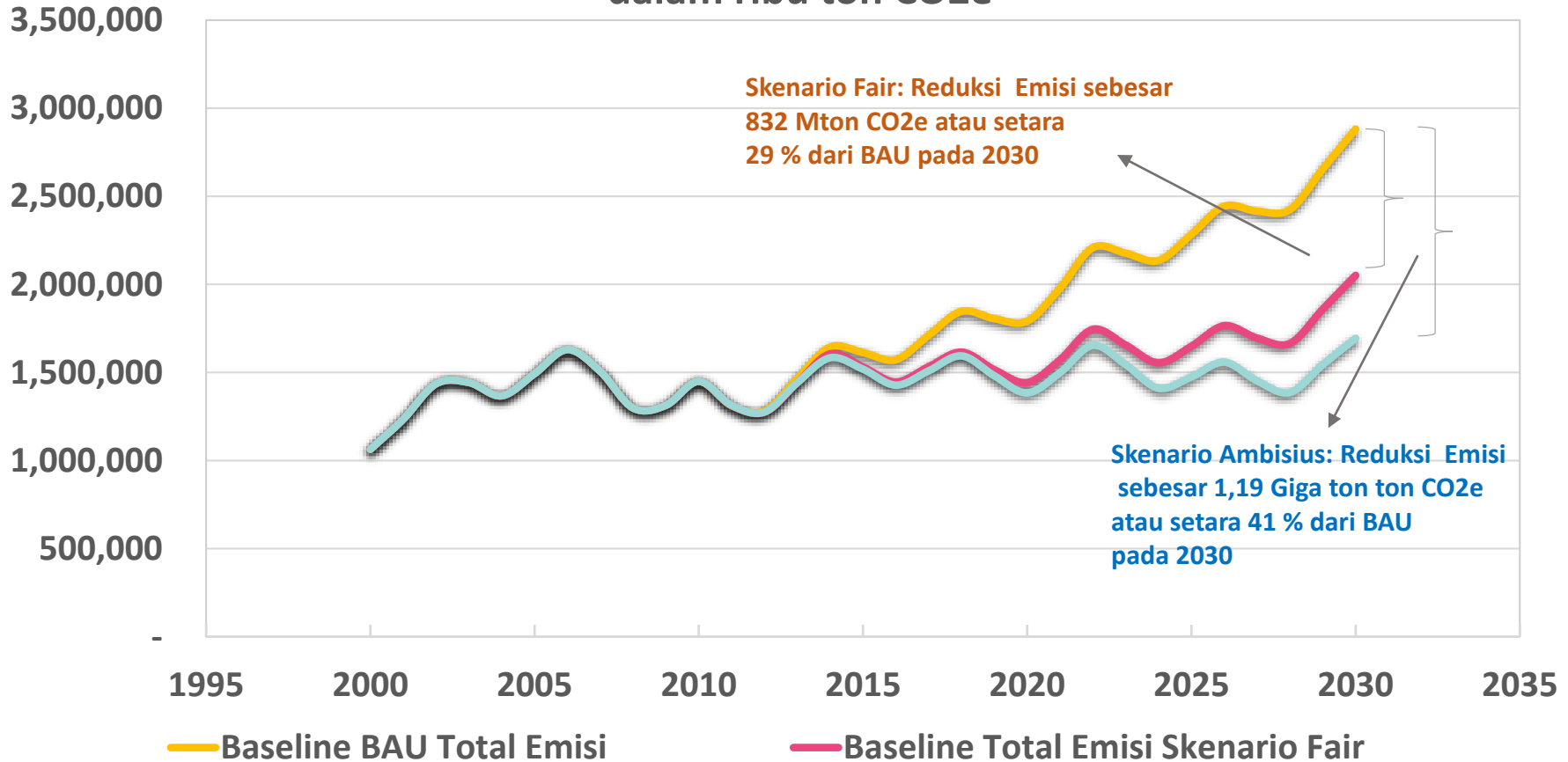Emission Baseline Indonesia : 2000-2030
(in ton CO2e)

Note: Coal as the main energy source (RUEN, 2015) will shift the emission source from land to energy sector

Legend: Energi dan transportasi, IPPU, Limbah, AFOLU (no peat), Peat Dekomposisi, Peat Fire

Total Emisi GRK
dalam ribu ton CO2e

Skenario Fair: Reduksi Emisi sebesar 832 Mton CO2e atau setara 29 % dari BAU pada 2030

Skenario Ambisius: Reduksi Emisi sebesar 1,19 Giga ton ton CO2e atau setara 41 % dari BAU pada 2030

— Baseline BAU Total Emisi   — Baseline Total Emisi Skenario Fair

Republic of Indonesia

Economic Development Target +

7% Economic Growth

LED

- 26/41%
Reduction of GHG
Climate Change Objective

Presidential Regulation
No. 61/2011 on GHG Emission
Reduction Action Plan

Emission Reduction Target by **2020**

Sector	Emission Reduction Target (Gton CO2e) by 2020	
	26 %	41 %
Land Based Sector (Forestry, peatland and agriculture)	0.680	1.050
Energy Based Sector	0.036	0.056
IPPU	0.001	0.005
Waste Management Sector	0.048	0.078

Beban Penurunan Emisi Tiap Sektor di 2030

	Skenario Fair di 2030		Skenario Ambisius di 2030	
	Jumlah (Mton CO2e)	%	Jumlah (Mton CO2e)	%
Baseline	2.881	-	2.881	-
Penurunan Emisi:				
Hutan, Pertanian dan Gambut	545	19%	666	23.1%
Energi	253	8.8%	472	16.4%
IPPU	3	0.1%	6	0.2%
Waste	31	1.1%	48	1.7%
Total Penurunan emisi	832	29%	1,192	41%

Berdasarkan 3 skenario kebijakan, hasil simulasi menunjukkan bahwa upaya penurunan emisi GRK tetap bertumpu pada sektor lahan mengingat pertimbangan kemudahan, biaya yang rendah tanpa memerlukan penguasaan teknologi canggih. Di sisi lainnya, masih terdapat *delay* dalam hal penguasaan teknologi mitigasi dan EBT di sektor energi sehingga belum dapat mengimbangi kebutuhan penurunan emisi dan energi yang ada.
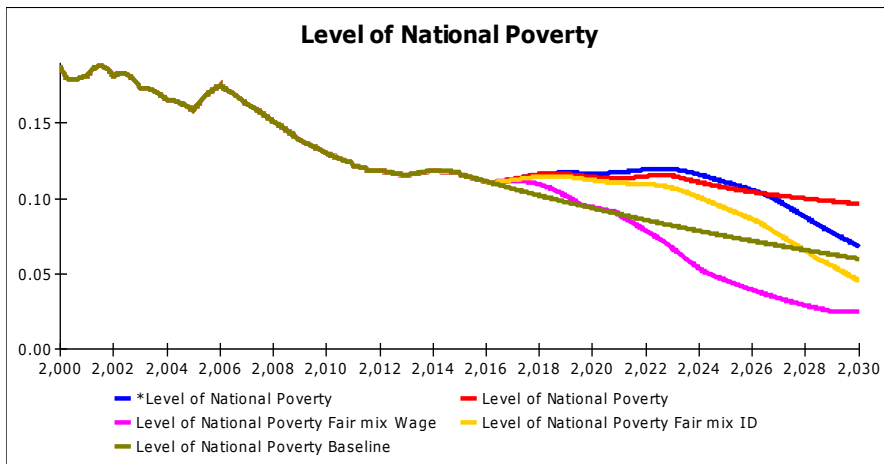
Emisi per Kapita (dalam ton CO2/cap)

Inset chart labels:

Total emissions GT	CO2 in 2013	Per capita emissions T/p
10 5 0		0 5 10 15 20

- China
- United States
- European Union (28)
- India
- Russian Federation
- Japan
- Germany
- Korea, Republic of
- International Shipping
- Canada
- Brazil

Legend:
—— Emisi per Kapita BAU   —— Emisi Per Kapita Skenario Fair   —— Emisi Per Kapita Skenario Ambisius
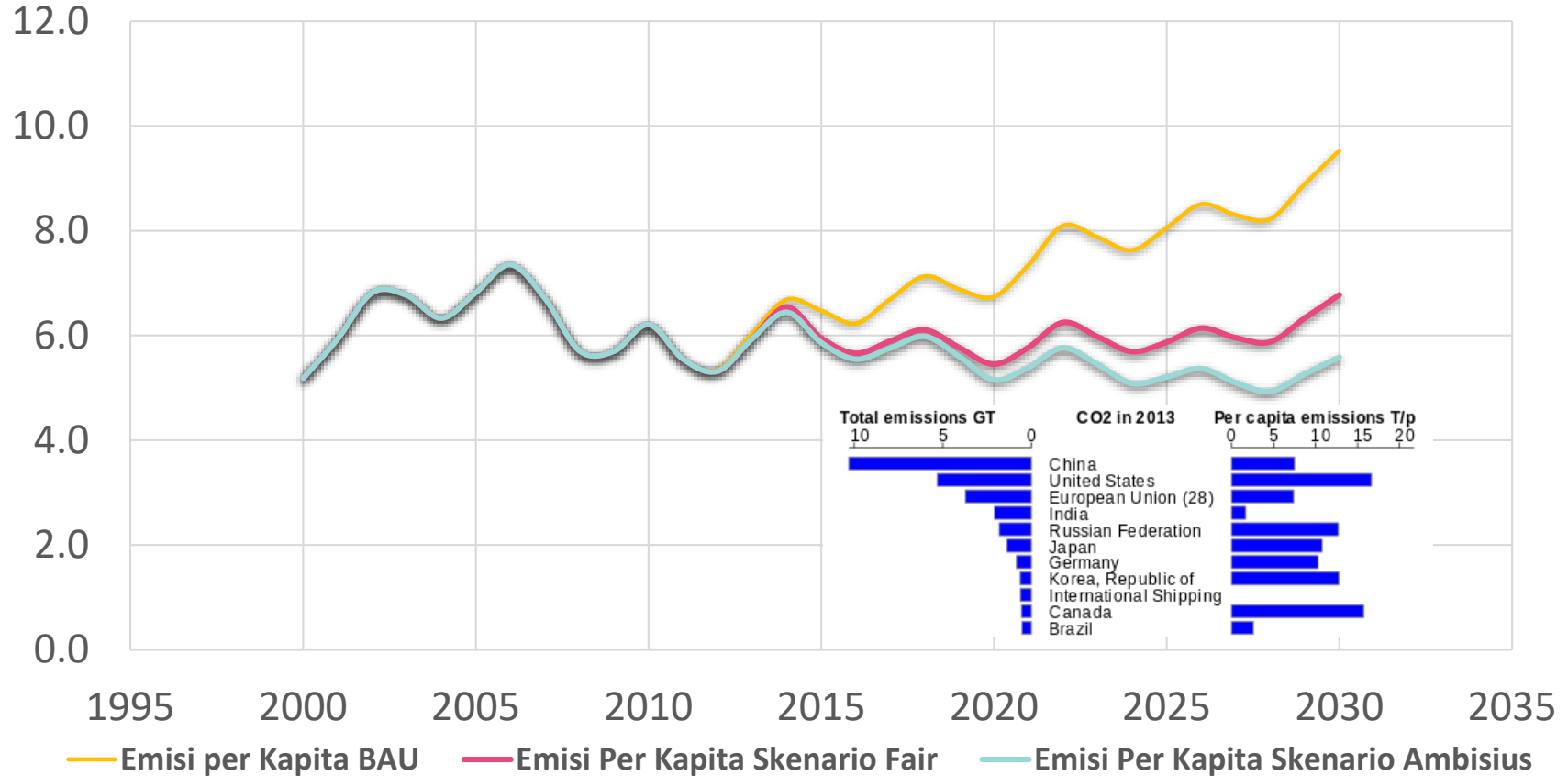
Emisi per PDB (dalam ton CO2/ Miliar Rupiah)
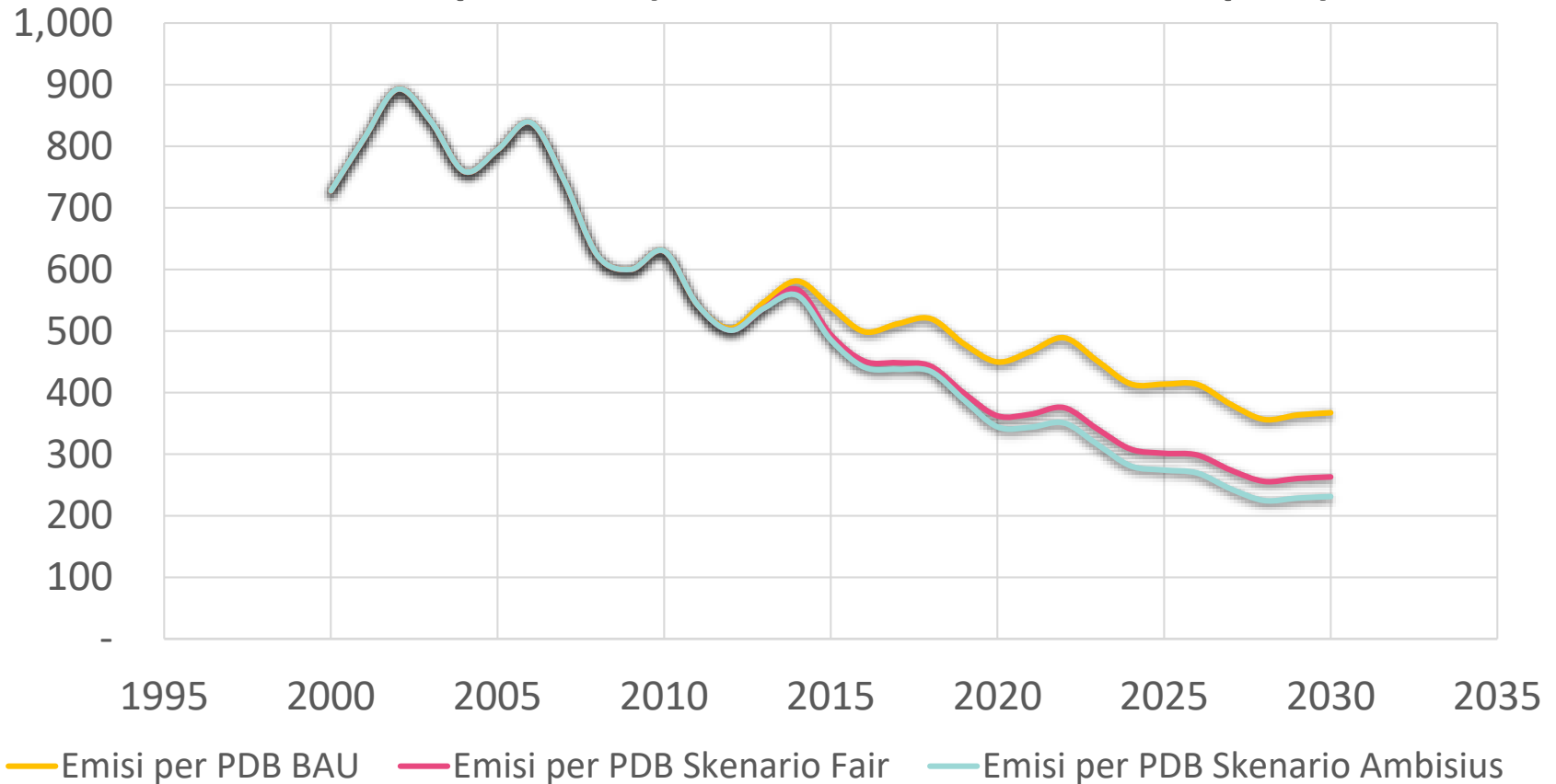
Emisi per PDB BAU — Emisi per PDB Skenario Fair — Emisi per PDB Skenario Ambisius

Hasil Simulasi (2010-2030)

Level of National Poverty

Legend:
- *Level of National Poverty
- Level of National Poverty
- Level of National Poverty Fair mix Wage
- Level of National Poverty Fair mix ID
- Level of National Poverty Baseline

Number of National Poor People

Legend:
- *National poor people
- National poor people
- Number of national poor people baseline
- Number of national poor Fair mix Wage
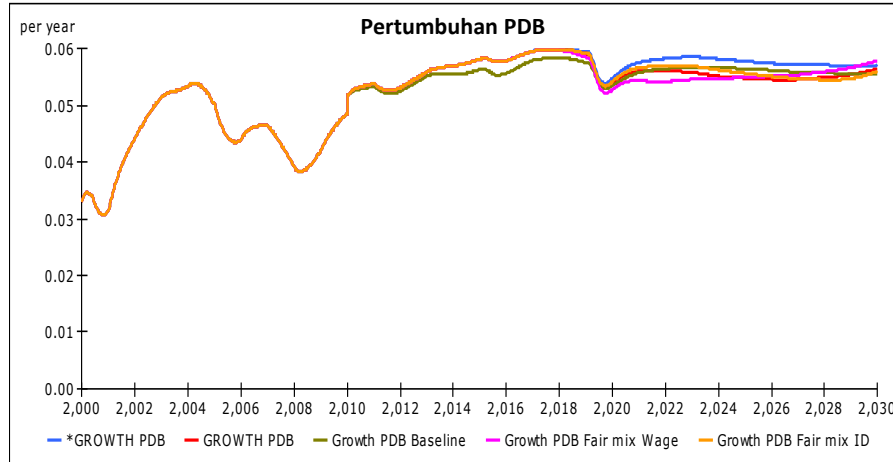- Number of national poor Fair mix ID

- Kurva 1 Skenario Baseline
- **Kurva 2 skenario Fair INDC**
- **Kurva 3 Skenario Fair INDC + Kebijakan Harga**
- **Kurva 4 Skenario Fair INDC + Kebijakan Upah**
- **Kurva 5 Skenario Fair INDC + Kebijakan Distribusi Pendapatan**

Kurva 3,4,dan 5 ditujukan untuk mengatasi dampak dari kebijakan INDC Fair (kurva 2) pada indikator kemiskinan
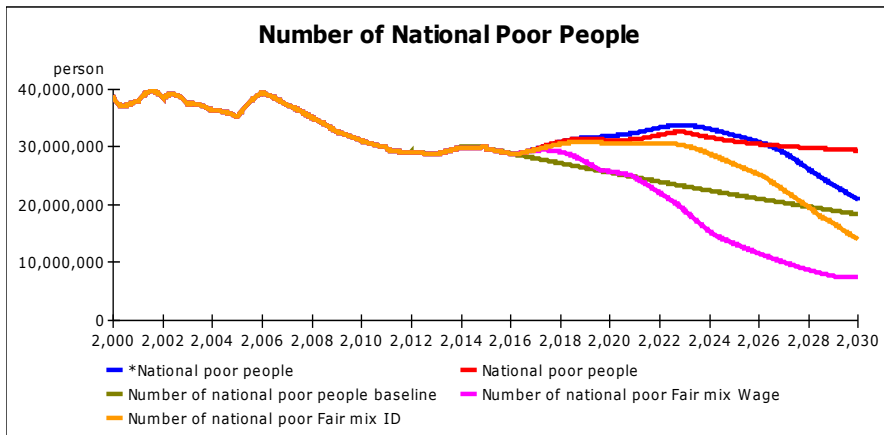
Tampak bahwa masing-masing skenario memberikan dampak untuk mengatasi proyeksi kemiskinan pada kondisi Fair (Kurva biru), tampak bahwa pada kebijakan upah dampak penurunan kemiskinan lebih signifikan dibandingkan pada skenario kebijakan distribusi pendapatan dan harga.

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Hasil Simulasi (2010-2030)

Pertumbuhan PDB

- Kurva 1 Skenario Baseline
- **Kurva 2 skenario Fair INDC**
- **Kurva 3 Skenario Fair INDC + Kebijakan Harga**
- **Kurva 4 Skenario Fair INDC + Kebijakan Upah**
- **Kurva 5 Skenario Fair INDC + Kebijakan Distribusi Pendapatan**

Pada indikator Laju Pertumbuhan Ekonomi dan Emisi, pada variasi skenario Fair tidak memberikan banyak perbedaan.
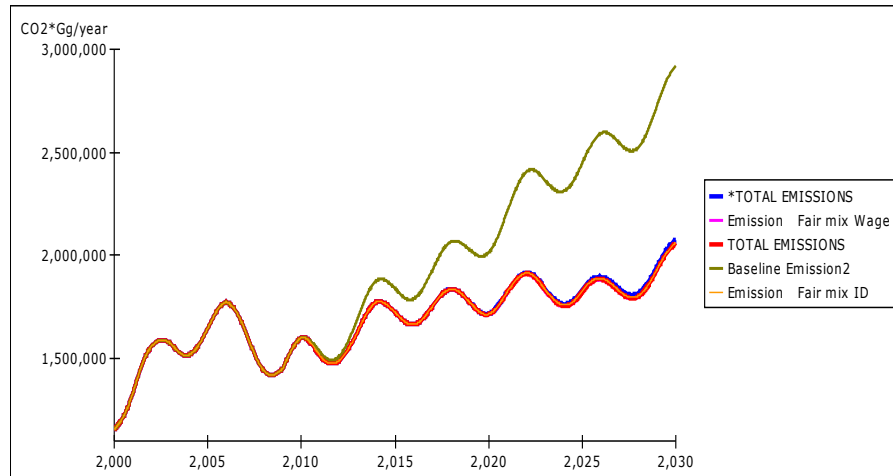
Pada indikator LPE, range pertumbuhan ekonomi pada akhir tahun simulasi berada pada kisaran 5-6% per tahun dari berbagai variasi skenario. Namun yang terbaik adalah skenario Fair INDC + upah, diikuti skenario fair INDC upah dan Skenario baseline

Sementara untuk hasil emisi, besaran emisi skenario Fair dengan berbagai variasinya tidak memiliki perbedaan yang signifikan. Penurunan berada pada besaran 29%

- Innovation and Technology

- Human Productivity

- Shifting from resource/extraction based industry to service based Industry

- Enhancing private sector involvement and foreign direct investment

Thank You