

A VISION FOR GREEN GROWTH IN INDONESIA

Lukita Dinarsyah Tuwo

Vice Minister for national Development Planning/Vice Chairman of Bappenas
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Green growth is a must

1. High competition for space:
 - a. Population growth
 - b. Space needed for higher production → fulfill higher consumption
 - c. More variety of spatial use
 - d. Environmental degradation → due to high pollutant and poor management
2. Less natural resources available → previous utilization and excessive use.

So → efficient use of natural resources and clean utilization (minimum and/zero waste).

There is no medium and long term trade-off

1. Development and environmental protection are interdependent to each other → vicious cycle
2. There is a transition period to show that those two are mutual interdependent and if combined → new opportunity will increase more results → higher growth and GDP – greener and more sustainable for next and future generations
3. Keys:
 - a. Making the transition period short
 - b. Prepare policy and its instruments
 - c. Provide the quick results – demonstration effect.

Indonesia has started

1. Long Term Development Mission: *Indonesia Asri dan Lestari*
2. Medium Term Development:
 - a. Mainsteraming sustainable development
 - b. Climate change as cross sectoral program.
3. National Strategy and Local Strategy
 - a. Presidential Decree No. 71/2009 - RAN GRK → low carbon development in 5 priority sectors: forestry, agriculture, energy-transportation, industry and waste management.
 - b. RAD GRK → low carbon development at the provincial level → concrete local action with quick wins → 32 RAD GRK – 29 Governor Decree.

Further actions

POLICY AND INSTITUTIONAL FRAMEWORK

- RAN GRK → program and policy in 5 main sectors to reduce GHG emission
- 32 RAD GRK → provincial actions to reduce GHG emissions
- REDD+ → to further plan for action to reduce 87% of GHG emission of the 26% target reduction.
- MP3EI is formulated to expand and accelerated economic and social growth → threat to ecosystem but at the same time opportunity to develop green investment
- Greening MP3EI → internalizing environment law and measures into MP3EI

REGULATIONS

- Inpres No 10/2011 on moratorium of new permits on forest use and improvement of primary forest and peatland management
- Inpres No. 13/2011 on Energy and Water Efficient Use
- Perpres 70/2009 on Energy Conservation
- ESDM Ministerial Decree No. 4/2012 on energy price from renewable energy (biomass, minihydro, biogas and waste)
- ESDM Ministerial Decree No. 2/2011 on selling price of energy produced from geothermal energy price.
- ESDM Ministerial Decree No. 19/2010 on promotion of natural gas for transportations

FISCAL INCENTIVES

- Revolving fund for Geothermal as guarantee fund for geothermal exploration (2011=Rp.1.126 billion)
- Government guarantee on infrastructure projects
- Government investment participation on infrastructure and climate change program through PIP
- Investment Allowance (Accelerated depreciation, dividend tax discount etc) and Tax Holiday for renewable energy.

At operational level

1. Already a lot of local concrete actions → proven on the ground but many smalls and scattered:
 - a. Good due to heterogeneity of local situation and culture (local wisdom)
 - b. Not structured and systematically progressed
- need strategy to nurtured and accelerated as nation wide movement → accelerated green action and green development

**A NATIONAL STRATEGY FOR GREEN GROWTH –
GREEN DEVELOPMENT IS NEEDED**

Initiatives/Pilots/Models

1. Green products:
 - a. Organic fertilizer, unleaded fuels, Indonesia Sustainable Palm Oil (ISPO), eco-label on lamps
 - b. Certified products-silviculture
 - c. Use of environmental friendly material → Clean Batik Initiative and the use of natural dye.
2. Energy Efficient building → sustainable construction, Energy Efficiency and Conservation Clearing House Indonesia (EECCHI), Indonesian National Standard (SNI) on Energy Conservation
3. Eco-cities → 60 cities initiative → Surabaya – waterfront development, green space, community composting program; Makassar → waterfront development, flood control.
4. Waste into energy, garbage banks at the community level (Reduce-Reuse-Recycle)

National Strategy is Needed and Mainstreaming is Necessary

1. For consistent policy measures → green growth and development is a long term actions
2. For consistent implementation for long term development:
 - a. Consistent across different presidential and direct local elections (33 provincial and >430 district elections)
 - b. Harmony: (i) national-provincial-district and (ii) across districts and provinces.
3. Consistent measurement of results → must produce sustained welfare improvement.

VISION

Aim that in 2025: Green GDP measure is in place, a voluntary report for green activity (reduce carbon emission, reduced rate of other polutions) is in place, environmental services sector is in the GDP composition.

Hope

1. This Green Growth Knowledge Platform can provide lessons for developing instruments, analytical tools for green growth, and analysis for policy making to formulate green growth and green development strategy
2. This GGKP can be a platform for share lesson: successes as well as failures
3. This GGKP can facilitate country's capacity building for actors in government institutions, private sectors and civil society.

**Have a productive and fruitfull
workshop
THANK YOU**