

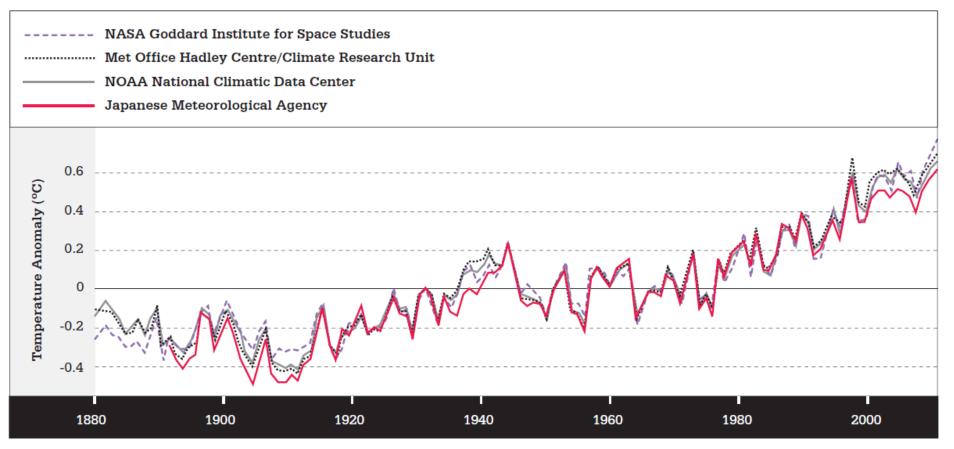
Indonesia Update 2011

# Indonesia's role in global climate change mitigation

### **Frank Jotzo**

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Australian National University

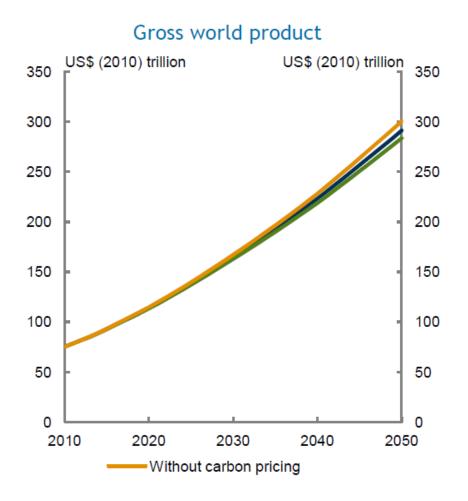
**Figure 1. Surface air temperature trend from the 1880s to the present.** The baseline for the analysis is the 1951-1980 average.

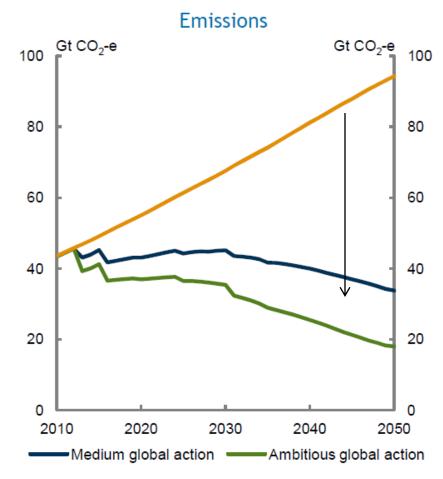


Source: NASA GISS Surface Temperature Analysis.



### De-carbonizing the world economy





### **Copenhagen Accord / Cancun Agreements**

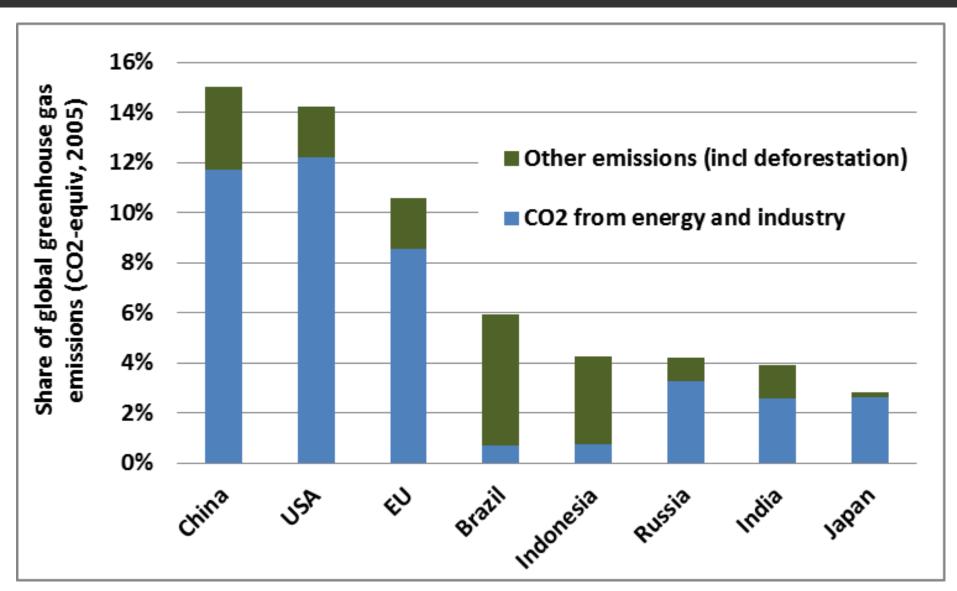


## Indonesia on the global stage for climate change UN, G20, bilateral



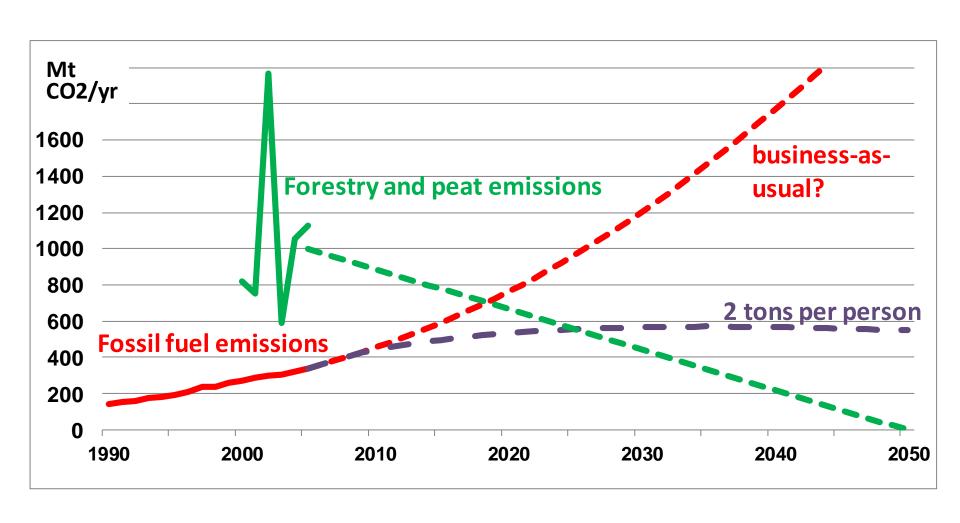


### The top greenhouse gas emitters





## Indonesia illustrative greenhouse gas emissions trajectories



### Indonesia's emissions target

26% reduction below business-as-usual at 2020, unilaterally

...up to 41% reduction with international assistance

(compared to what 'business as usual' baseline?)



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#### Issue 105 : Jul - Sep 2011 : Climate change and Indonesia



#### Climate change and Indonesia

Judith Mayer, Alex Ryan and Edward Aspinall Indonesia can make the transition from climate change villain to global hero, but empowering the poor will be a key to effective



#### Lovers of the Ahl al-Bayt

Chiara Formichi Indonesia's Shi's are moving shead between local traditions \_



#### A new educational movement

A market for Islamic schools has opened up among Indonesia's...



#### Digital meditation in Bali.

Sighten Campbell Camera visiding spectators partake in their own form of care...



#### Falling into the Lesbi world

Review: Slackwood gives insight into a littleunderstood gro...



#### Surviving against the odds

Review: Ann Dunham's study of village life reveals a deep un...

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#### IN THIS EDITION



Patrick Anderson Indonesia has set ambitious targets to reduce its greenhouse gas emissions that will require major changes in how forests and agricultural lands are managed



Reaching for the sky?

Indonesia has set ambitious emissions targets, but meeting them will require hard work



#### Using Indonesian forests

Institutional reform and massive public participation are crucial to mitigate climate change



#### Community engagement

Don't ignore REDD's impacts on communities!



Thursday, 04 August 2011 | Sinvironmental Justice and Governance Research Lab Ageh experiments with a major REDD project, but without involving local people



#### Climate justice

Sunday, 24 July 2011 | Ski Malmurah

Climate change is compounding the environmental and social justice problems confronted by marginalised communities: a multi-faceted movement is needed in response



#### Taking action in the provinces

Officials in Papua and Riau want to prevent deforestation, but they need concrete action and resources from the national government, not just talk and instructions



#### The energy challenge

211 | Etrian Ardianavah

Indonesia is righ in renewable energy but government policies toster reliance on tossil fuels

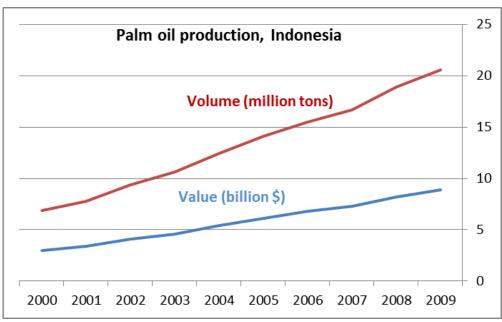


### Deforestation, peat, land management

#### Palm oil conversion overwhelming ...but:

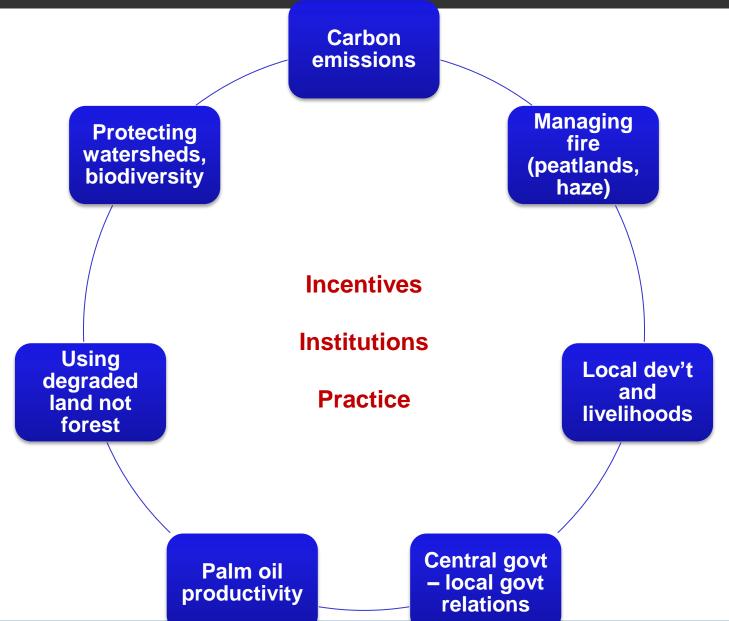
- Protecting peatlands
- Establishing plantations on degraded lands
- Increasing yields
- Better management of forests and fire
- Conserving forests

   (biodiversity,
   local environmental services)





#### Sustainable land use



### **Policy**

### RAN-GRK National Action Plan for Greenhouse Gas Emissions Reductions

- government initiated and financed programs
- mostly for forests/land

#### Land conversion moratorium

A compromise, but sends a signal

### Norway \$1b promise

Projects by AusAID and others

### REDD+ agency



### Energy

Energy efficiency; geothermal, hydro, gas

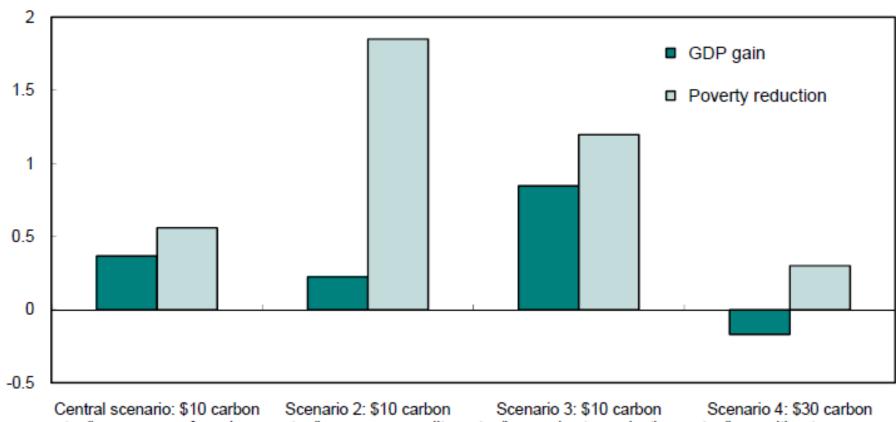
Policies, institutions? Investment?





## A carbon tax could increase growth, and reduce poverty

Figure 2.4 Key modeling results: % change relative to reference case, 2020



Central scenario: \$10 carbon tax/levy, revenue for sales tax reduction

Scenario 2: \$10 carbon tax/levy, revenue split between income transfers and sales tax reduction Scenario 3: \$10 carbon tax/levy, sales tax reduction, plus subsidy removal Scenario 4: \$30 carbon tax/levy, without revenue recycling

Source: Indonesia E-3 model, Green Paper calibration.

### Green Growth vs Brown Growth

"pro-poor, pro-growth, pro-jobs and pro-environment"

**667 26 99** 



## Political economy and competition between institutions

Industry

NGOs

Bappenas

Ministry of

Environment

President's office

Ministry of Finance

Ministry of Forestry

Ministry of Energy

Local governments

UN, G20

Donors

### Will anything actually be done?



#### What role for aid?

#### Fast-track climate finance

global \$10b per year to developing countries, 2010-12

### Capacity building

central and local governments, civil society

### Demonstration projects

need to take risks



#### What role for markets?

Indonesia's potential supply: (say) 15% of emissions 300 million tons @ \$25 = \$7.5 billion/year

- Demand: Australia emissions gap >50 million tons @2020?
- Japan, Korea, California, NZ....

#### Needed:

- ✓ emissions monitoring
- (✓)credible baseline at national (or provincial / sectoral) level
- ? effective policy instruments and institutions
- ? payment distribution to local level, development programs

## Investment in emissions reductions: a 'club' of nations with compatible interests?





### An illustrative business as usual scenario

