

Climate Change in Indonesia National Development Planning: Experience and Hints from Developing Country

National Development Planning Agency/
BAPPENAS

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Presented in Asia Pacific Seminar on Climate
Change

Background

- The need to address the problem of climate change and respond to the priority needs of developing countries to achieve sustained economic growth and eradicate poverty is one of the guiding principles that govern the implementation of the Convention (UNFCCC).
- Article 3.4 of the Convention states that Parties have a right to, and should, promote sustainable development. It further states that policies and measures to address climate change should be appropriate for the specific conditions of each Party and should be integrated with national development programmes, taking into account that economic development is essential for adopting measures to address climate change.

Structure of Presentation:

- Objectives
- Understanding of Development Planning
- Climate Change in Indonesia Development Planning
- Recommendations to move forward

Objectives:

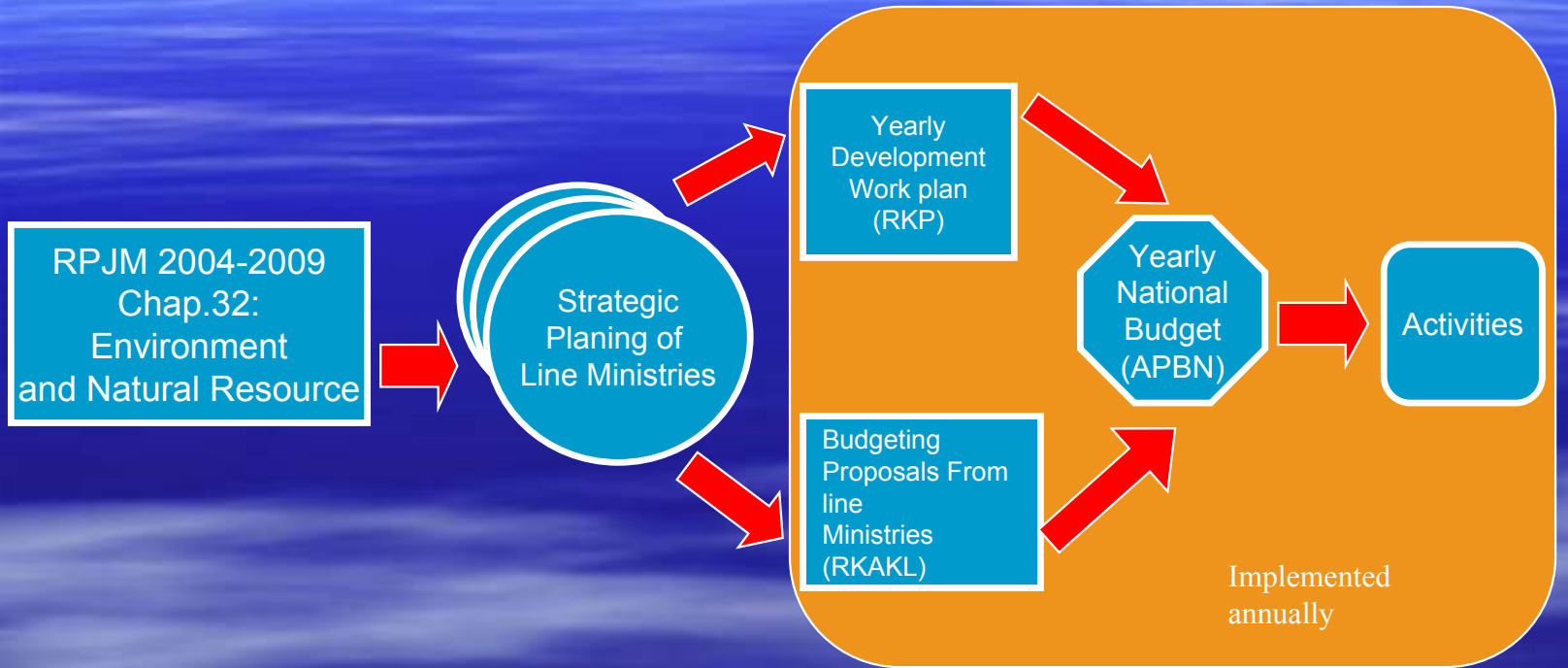
- Explain the role of planning to mainstream the climate change issues into development mainstream
- Sharing Indonesia experience to mainstream the climate change into national development planning

Understanding
National Development Planning
and its relation with Climate
Change
in Indonesia

Structure of Development Planning

- What is national development plan?
 - Process to make development plans consist of long-term development plan, medium-term development plan and annual development plan which will be implemented by state institutions, private sector and community in all level of regions
- Current regulations applied for development planning:
 - Law No. 25/2004 about Development Planning
 - Presidential Regulation No. 7/2005 about Medium-term National Development Planning 2004-2009
- Other national development plan policy relates to Climate Change:
 - Millenium Development Goals (do not have legal status)

The structure of development planning in national and local level:



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Line Ministries

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Line Ministries

Environmental Policy 2004-2009

(Chapter 32 RPJM):

Environmental Policies are aimed to:

- To mainstreaming sustainable development principles into all development aspects;
- Improve coordination among environmental institutions in national and local level;
- Increase the law enforcement effort to the polluters;
- Increase the capacity of environmental institutions in national and local level;
- Improve the awareness of community on environmental issues and support community active participation to monitor environmental quality;

Objectives of Environmental Policies relates to the climate change issues:

Among 15 environmental policy objectives, 3 objectives (No.5-7) are related to climate change issues:

- Improve urban air quality especially in Jakarta, Surabaya, Bandung, dan Medan, supported by improvement of environmentally sound of transportation system and management;
- Reduction of ODS (*Ozone Depleting Substances*) gradually until 2010;
- Improve national capacity in adapting climate change issues into development aspects;

Ensuring Environmental Sustainability:

(MDGs Report – Goal 7)

- **Target 9 : Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources**
- **Target 10 : Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation**
- **Target 11 : By 2020, to have achieved a significant improvement in the lives of slum dwellers**

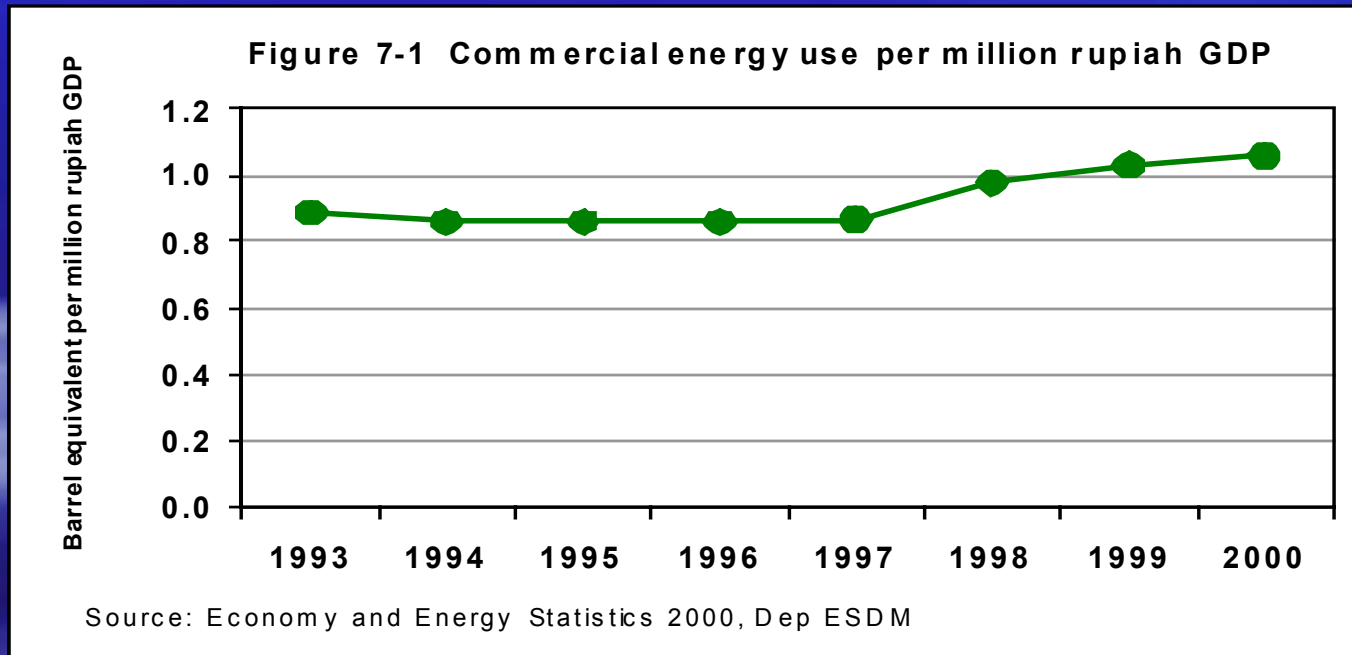
Target 9 : Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicators :

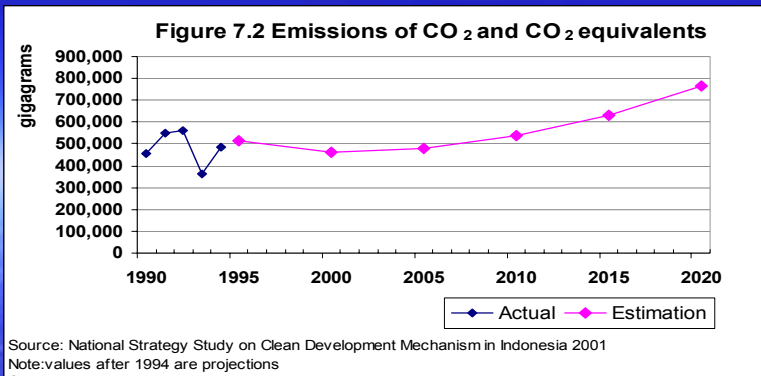
25. Proportion of land area covered by forest
26. Ratio of area protected to maintain biological diversity to surface area
27. Energy use (barrel oil equivalent) per million rupiah GDP
- 28a. Emissions of carbon dioxide equivalents per capita
- 28b. Consumption of ozone depleting CFCs (metric tons)
29. Proportion of population using biomass as cooking fuel

Status & Trend of MDG Indicators:

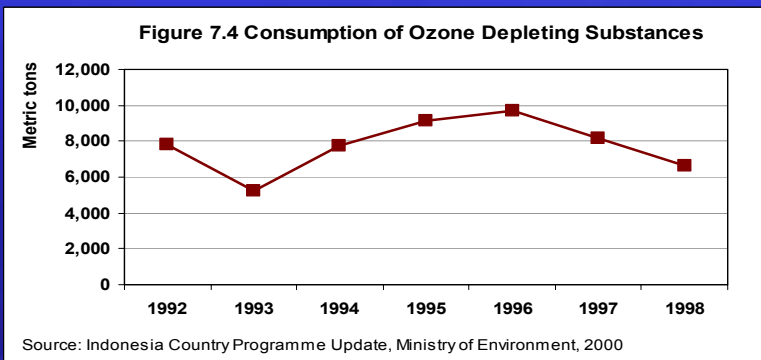
- a. Proportion of land area covered by forest ► from 67.7% (1993) to 64.2% (2001).
- b. Threatening protected areas; 26.4% of total area (2002),
- c. Reduction of energy efficiency (Figure 7-1)



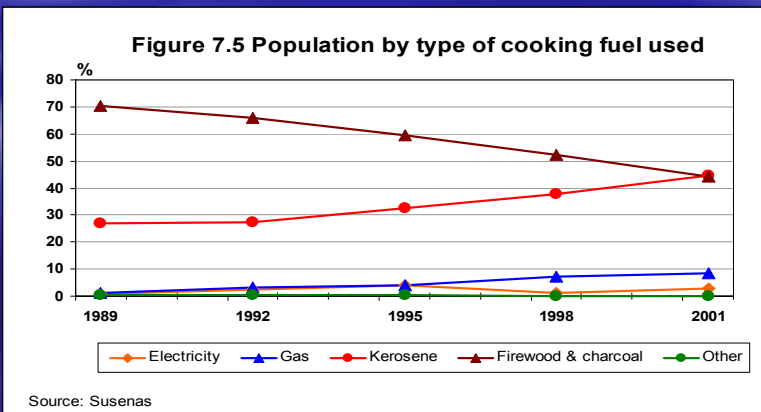
d. Increasing of energy per capita (Figure 7-2)



e. Consumption of ozone depleting CFCs (Figure 7-4)



f. Proportion of population using biomass as cooking fuel (Figure 7-5)



Challenges to integrate climate change policy and issues into Development Planning:

1. Lack of Awareness in decision makers level
2. Even though, environmental improvement include Climate change has been stated as one of the mid term national development plan priority, in fact, it has been put in less priority within the last two years of yearly development plan:
3. Poor coordination among line agencies in national and local level to anticipate the climate change issues
4. Unbalance and less assistance/ support from donors to the related climate change institutions which create lack of ownership from line agencies in supporting climate change

1. Lack of Awareness in decision makers level

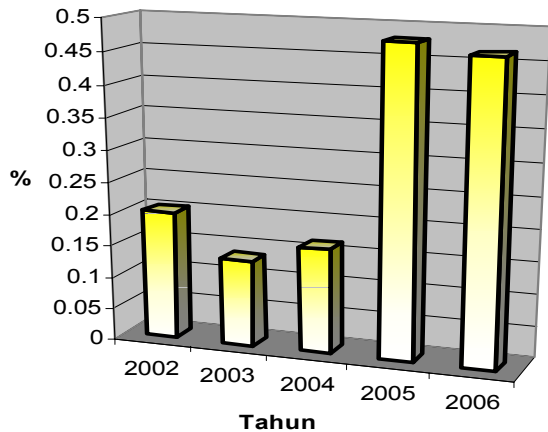
Lack of Awareness in decision makers level:

- Many workshops have been implemented, but the understanding of national and local decision makers are still limited;
- Many politicians tends to assume that climate change only targets long term impact, meanwhile they are more concern in actions which have short term direct impact (create more publicity from the voters);
- Climate change (including CDM mechanism) is a complex issue, meanwhile decision makers need more practical actions to solve real problem in the community in a short term;

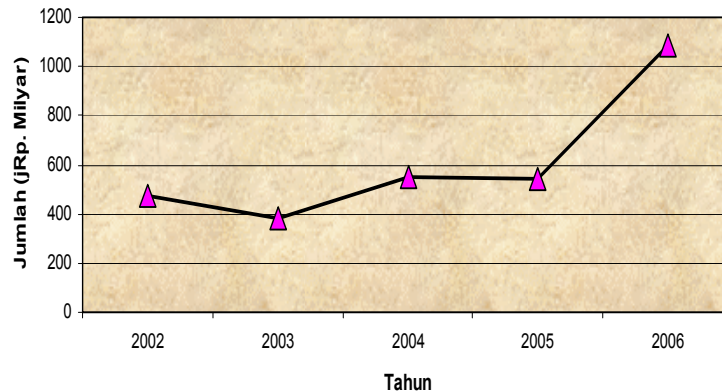
2. Even though, environmental improvement include Climate change has been stated as one of the mid term national development plan priority, in fact, it has been put in less priority within the last two years of yearly development plan:

- Environmental quality improvement and climate change adoption has never been stated as national priority within RKP 2006 & 2007;
- They never been mentioned in yearly presidential speech (16 August speech);
- Funding for environmental improvement increased within the last two years, but it still remains only 0.5 percent of national budget. It also distributed among relevant line agencies. Until now, there is unclear amount of funding allocated for related climate change activities (see pictures)

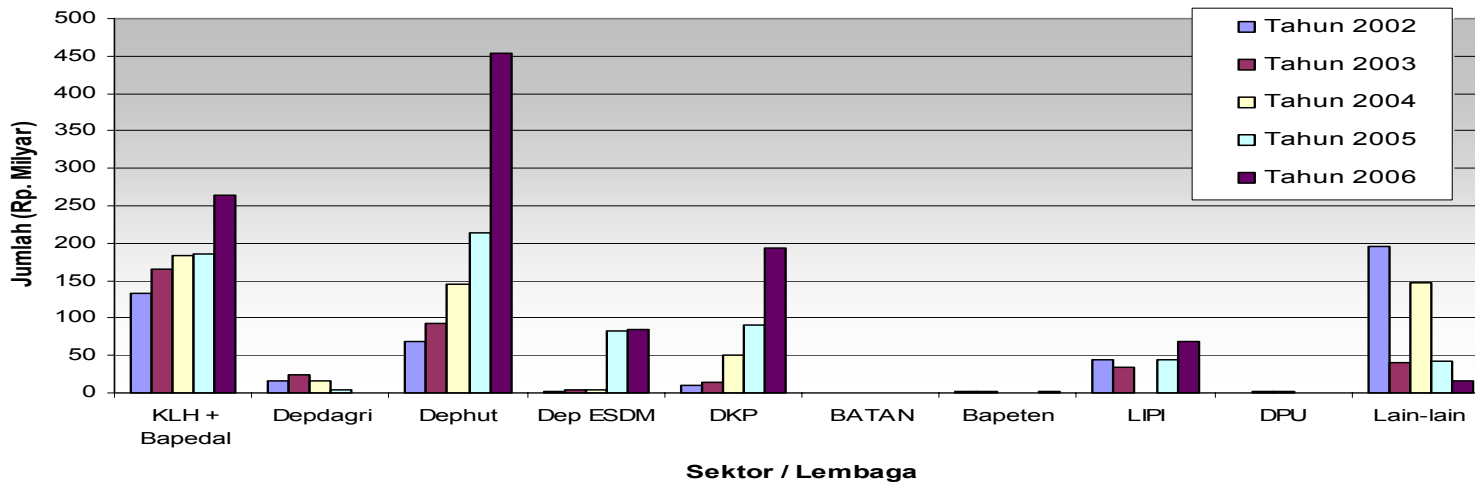
Perbandingan Alokasi Anggaran Lingkungan Hidup terhadap APBN (Seluruh K/L)



Alokasi Anggaran untuk Lingkungan Hidup (Seluruh K/L)



Fluktuasi Alokasi Anggaran tiap Sektor/ Lembaga untuk Kegiatan Lingkungan Hidup Tahun 2002 - 2006



3. Poor coordination among line agencies in national and local level to anticipate the climate change issues:

- Many contradicting regulations has been come up which might endanger adaptation effort (Case of mining activities in protected areas, forest management vs autonomy, etc);
- Overlapping of Authority among line agencies in environmental aspects;
- Unclear definition and role of focal point (Indonesia has never formalised term “focal point” in any country legal framework);

4. Unbalance and less assistance/ support from donors to the related climate change institutions which create lack of ownership from line agencies in supporting climate change:

- Donor assistances should be coordinated in a more balance way across line ministries;
- Many assistance also go to the private research institutes and NGOs which has small impacts on the improvement of decision makers awareness;
- Bilateral countries are more focused on achieving its target to the Kyoto Protocol, therefore current assistance are much aimed on developing CDM projects instead of assisting the developing countries to adapt the climate change issue into national and sectoral policies;

Needs identified by non-Annex I Parties for effective integration of climate change considerations into sustainable development :

- Ability to incorporate climate change and other environmental issues in socio-economic and/or sectoral plans and in achieving Millennium Development Goals
- Capacity to mainstream mitigation and adaptation strategy into broader national development
- Ability to formulate, analyse and implement integrated strategies and policies
- Need to strengthen coordination and support mechanisms at national and local levels
- Ability to assess and plan mitigation, adaptation and integrated actions
- Data collecting, processing and management for integrated assessment and decision-making
- Ability to assess technology transfer needs and capacity for project and programme development
- Human resources in policy design and analysis, and negotiation and technical skills
- Institutional strengthening and capacity to seek synergy among conventions at national level
- Education, public awareness and continuous training on the integration of climate change into sustainable development

Important steps toward mainstreaming climate change into development planning:

- Improvement role of other line agencies so that they include the issues into their strategic planning
- Strengthening and improve the understanding of Development Planning Institutions in national and local level
- Strengthening national coordination among sectors and different policy objectives to ensure a consistent climate change policy.
- although climate change will make it more difficult for Indonesia to achieve its poverty eradication and sustainable development objectives, we have been able to identify many opportunities to lessen the pressure on natural resources and address the challenges posed by climate change while pursuing a path towards sustainable development

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Thank you