

Economic, Social and Environmental Policies as Drivers of Green Jobs

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Intro

- The economic growth in its current the nations form is placing enormous growth pressure on the environmental carrying capacity.
- However, it is only through economic growth that a country can reduce poverty and improve environmental management.
- Green growth is a paradigm that focuses on reducing the increasing environmental pressure arising from economic growth.

- Under the green growth paradigm a country would be required to integrate environmental policies with economic policies and create a positive win-win synergy between environment and economy.
- While conventional policies focus more on improving environmental performance (pollution control for example) they need to be combined with policy options focusing on maintaining environmental sustainability by enhancing ecological efficiency in pursuing economic growth.

So, what we are facing are:

- Increasing pressure from economic growth.
- Signs of stress from limited carrying capacity.
- But need further growth.
- Need to improve ecological efficiency.

- It was generally accepted in the earlier theories that there would be a tradeoff between the economy and the environment.
- More recently, however, it has been suggested that relationship between income and environmental degradation is not linear so much as an inverted U curve; ie. At relatively low levels of income per capita, environmental degradation initially increases as income rises, but after reaching a certain threshold then it decreases with rising income. (Environmental Kuznets Curve)

Concepts and system changes for pursuing green growth

- Despite awareness of the need to protect the environment, a nation has not taken proactive environmental policies are the concerns that:
 - a. Allocating scarce financial resources to environmental protection is a burden and cost.
 - b. Strengthening environmental regulation will damage industrial competitiveness.

Concepts changes

- From pollution control to eco-efficiency improvement.
- The environment as a growth driver and employment creator and not only as a burden.
- The environment as a business opportunity for the private sector and not as an extra cost.
- Environmental regulation as a research and development opportunity for industrial competitiveness.

System changes

- Internalization of environmental cost into pricing mechanisms.
- Improving the eco-efficiency of production and consumption pattern.
- Creating synergy between the environment and the economy.
- Support for the long term perspective: resources allocation for the future (see, Gov't Annual Work Plan = RKP)

The Role of Government

1. Provide ground rules for the private sector and the public.
2. Review public policies for environmental sustainability.
3. Improve environmental performance.
4. Employ a wide range of policy tools.
5. Introduce environmental regulations in a manner that encourages innovation and acceptance.

The role of private sector

1. Be the ultimate sustainability innovator.
2. Be an agent for the promotion of the integration of the environment and the economy.
3. Be responsible caretaker of the environment and a promotor of environmental marketing.

The Role of civil society and unions

1. Be a proactive partner for promoting eco-efficiency.
2. Be a partner for promoting for an environmental market.
3. Be a leader in demanding upgraded environmental quality and standard.

NATIONAL PRIORITY

11 + 3 National
Priority
2010-2014

- 1 Bureaucracy Reform and Good Governance
- 2 Education
- 3 Health
- 4 Poverty Alleviation
- 5 **Food Security**
- 6 Infrastructure
- 7 Investment Climate
- 8 **Energy**
- 9 **Environment and Disaster Management (incl. Climate Change)**
- 10 Culture, Creativity and Technology Innovation
- 11 Disadvantaged, Borders and Post-Conflict Areas
- 12 Politic, Law and Security
- 13 Economic Development
- 14 Social Welfare

National Priority and Action Plan 2010-2014

Food Security

- Land, Area Development and Agriculture Spatial Plan
- Infrastructure
- Research and Development
- Investment, Finance and Subsidy
- Food and Nutrition
- **Adaptation to Climate Change**

Energy

- Policy
- Restructuring of State Enterprises
- Energy Capacity
- **Alternative Energy**
- Oil and Gas Derivative Production
- **Gas Conversion**

Environmental and Disaster Management

- **Climate Change**
- **Environmental Degradation Control**
- **Early Warning System**
- **Capacity Building on Disaster Mitigation and Forest Fire**

Food Security

Priority Topics

Improvement of food security and continuation of agriculture revitalization to create food self-reliant, improve competitiveness of agricultural products, improvement of farmers' livelihoods, and natural resource and environment sustainability. Increase of national growth in agricultural sector of 3.7% a year with Farmer Exchange Index of 115-120 in 2014

Main Substance

- Land, Area Development and Agricultural Spatial Plan: Regulation Structuring to ensure law assurance on agriculture land, expansion of agricultural area of 2 million Ha and optimisation of under-utilized land.
- Infrastructure: Development and maintenance of transportation, irrigation, power/electricity, and communication infrastructures in the central agricultural areas in order to ensure improvement of production quantity and quality and its marketing.
- Research and Development: Improvement of research and development activities in agricultural sector that can create better seeds and other necessary invention to support higher quality and productivity of agricultural productions.
- Investment, Finance and Subsidy: Support investment in food, agriculture and rural industries that are based on local products done by private and public sectors; provision of financial system that is accessible and subsidy system that ensure availability of tested superior seed, fertilizer, technology and after harvest infrastructure suitable in time, and quantity.
- Food and Nutrition: Improvement of nutrition quality and food diversification through improved dietary pattern
- Climate Change Adaptation: Concrete actions taken to ensure adaptation and anticipation of food and agriculture system in response to climate change.

ENERGY

Priority Topics

Energy Security that ensures national growth through institutional restructuring and optimisation of wider alternative energy use.

Main Substance

- Policy: Authority taking over on energy policy to the President Office to ensure integration of national energy management into National Energy Master Plan (RUEN)
- Restructuring of State Enterprises : Transformation and consolidation of State Enterprises in Energy Sector starting from PLN and Pertamina by the latest 2010 and followed by other State Enterprises.
- Energy Capacity: Increase in power generation capacity of average of 3.000 MW per year from 2010 with electrification ratio of 62% in 2010 and 80% in 2014; oil production 1.2 million barrel per day in 2014
- Alternative Energy: Improvement of renewable energy utilization including geothermal up to 2.000 MW in 2012 and 5.000 MW in 2014 and start the production of *coal bed methane* to generate power in 2011 followed by solar power, *microhydro*, and nuclear power utilization gradually
- Oil/Gas Derivatives Production: Revitalisation of oil/gas derivative industries as raw materials for textile, fertilizer and other downstream industries.
- Gas Conversion: Expansion of gas conversion program that covers up to 42 million households; utilization of natural gas in public transportation in urban areas of Palembang, Surabaya and Denpasar.

ENVIRONMENT and DISASTER MANAGEMENT

Priority Topic

Conservation and Environment Utilization for supporting the economic growth and sustainable prosperity, followed by the controlling of disaster risk for climate change anticipation.

Main Substances

Climate Change : Increase capacity of peat land management, increase of rehabilitation of 500,000 hectare per year. Minimisation of deforestation through related cross ministerial coordination and cooperaton, and optimization and increase efficiency in financial resources, such as IHPH fund, PSDH fund, and reforestation fund.

Environment Degradation Control: Decrease of environmental pollution through monitoring and surveillance of waste water pollution and emissions compliance in 680 industrial and services activity in 2010 onwards; Decrease number of forest fire hotspot 20% in 2014; Stop the environmental degradation in 11 watershed areas prone to disaster in 2010 onwards.

Early Warning System : Assurance of continuous function of Tsunami Early Warning System (TEWS), Meteorology Early Warning System (MEWS) from 2010 onwards, and Climate Early Warning System (CEWS) in 2013.

Capacity : Increase capacity of government officials and the community in disaster risk reduction efforts, mitigation, disaster management and risks of forest fires in 33 provinces.

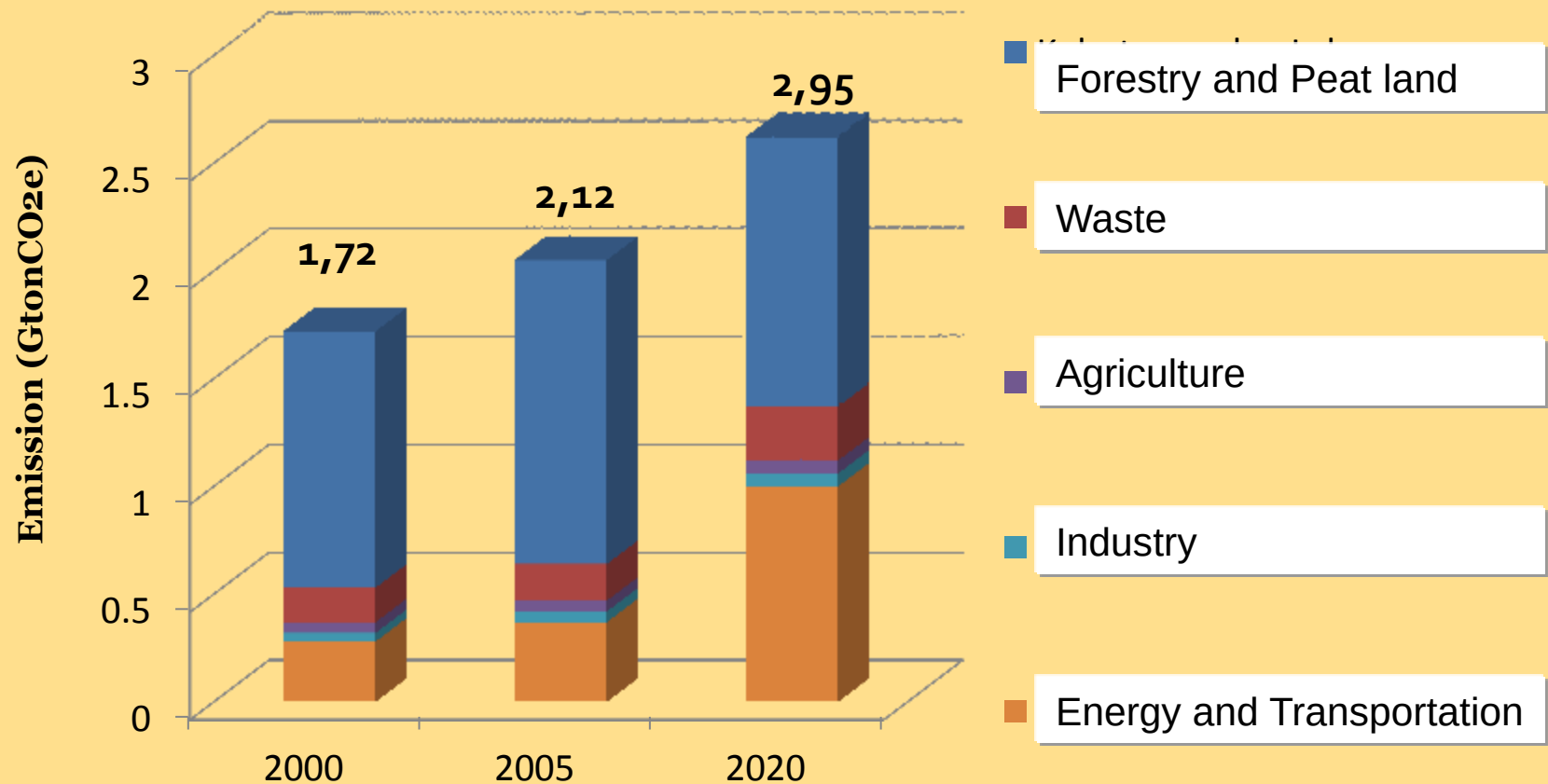
MAINSTREAMING SUSTAINABLE DEVELOPMENT

DEVELOPMENT ASPECT	INDICATORS	TARGET
ENVIRONMENT		
Land Quality Improvement		
Improvement of land quality and land cover	% of activities/programs that conserve land quality and land cover	60-80%
Water Resource Improvement		
Water Quality and Quantity Conservation	% of activities/programs that conserve water quality and quantity	60-80%
Air Quality Improvement		
Air Quality Conservation	% of activities/programs that minimize impacts to air quality	60-80%
SOCIAL		
Conservation of community's culture and value, increase participation	% of activities/programs that minimize social conflicts and increase people participation	80%
ECONOMY		
Economic growth, poverty alleviation and growth distribution	% of activities/programs that improve economic growth quality and poverty alleviation	80%

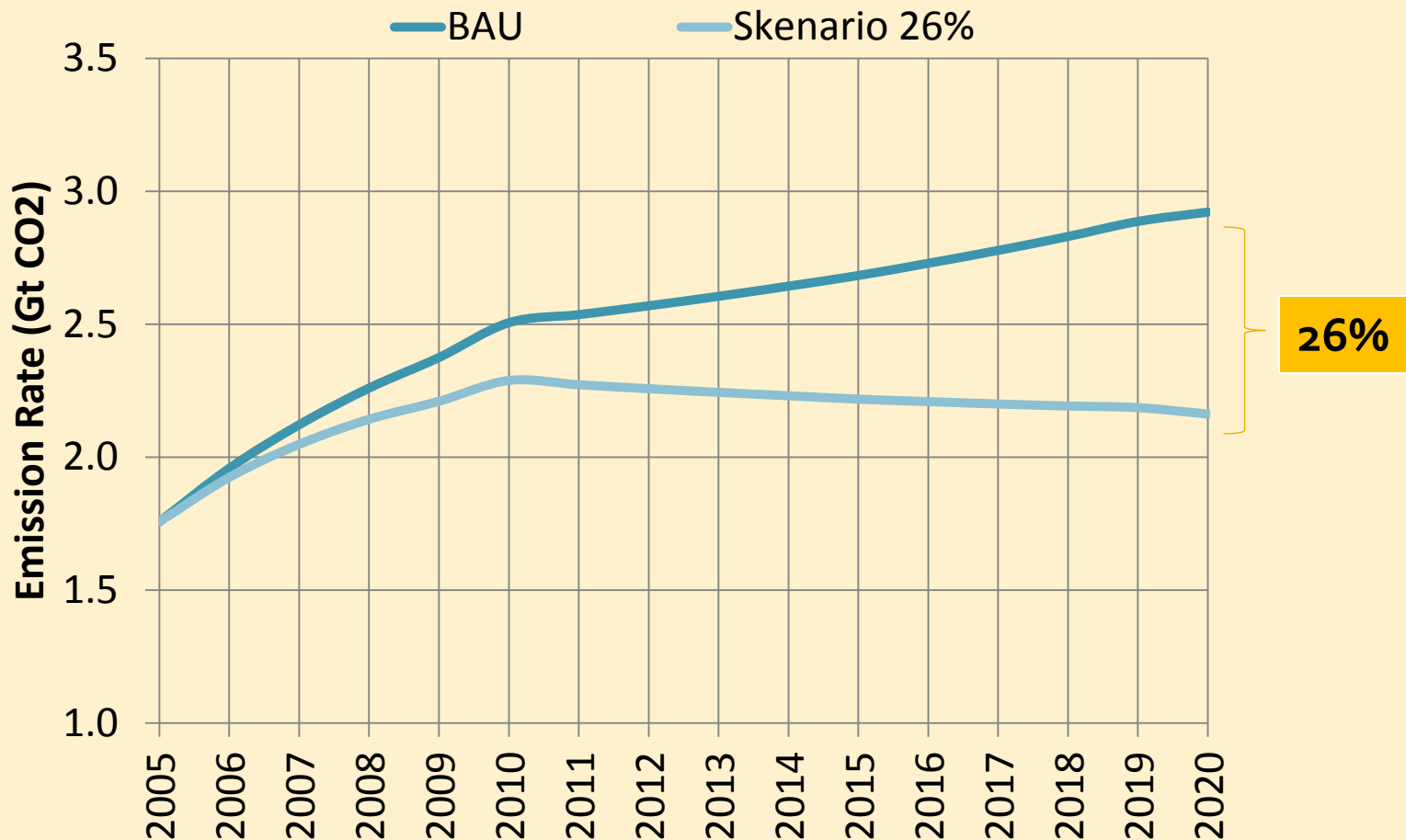
NATIONAL ACTION PLAN TO REDUCE GHG EMISSION (RAN-GRK)

SCENARIO of 2020 GHG Emission Reduction

GHG Emission in Indonesia is estimated to increase from 1.72 to 2.95 GtCO₂e from 2000 to 2020



SCENARIO of 2020 GHG Emission Reduction



POLICY FRAMEWORK OF RAN-GRK

1. What is the Action Plan?
 1. an integral part of National Development Plan and updated according to scientific and policy development
 2. integrated actions among sectors – environmental carrying capacity and spatial plan
 3. intended to contribute to global efforts to reduce emissions and to tap international funding for Indonesia
2. The Action Plan is focused on :
 1. GHG Emission Reduction
 2. Increase of GHG Absorbtion Capacity (carbon sequestration)
3. The Action Plan - principles:
 1. should not hinder economic growth, and prioritizing people's welfare → esp. in areas of energy resilience and food security
 2. supports protection of the poor and vulnerable communities, including environment conservation in the framework of sustainable development
 3. consists of core activities to reduce the emission and supporting activities to strengthen the policy framework

Emission Reduction Target (2020)

Sector	Emission Reduction (Giga ton CO ₂ e)		Action Plan	Institutions
	26%	+15%		
Forestry and Peatland	0,672	0.367	Forest and land fire control, water and hydrology management on peatland, forest and land rehabilitation, illegal logging control, avoiding deforestation, community development	MoFr, MoPW, MoA, MoE
Waste	0,048	0,030	Sanitary landfill development, 3 R and sewerage system in urban areas	MoPW, MoE
Agriculture	0,008	0,003	Introduksi of low carbon rice variety, irrigation efficiency, organic fertilizer utilization	MoA, MoPW, MoE
Industry	0,001	0,004		MoI
Energy and Transportation	0,038	0,018	Energy efficiency, renewable energy development Biofuel development and utilization, fuel efficiency	MoT, MoEnergy, MoPW, MoF

THANK YOU