

A Special USINDO Open Forum and Public Consultation

**U.S. – Indonesia Cooperation on Climate Change and
Environment: Progress and Future Priorities under
the Comprehensive Partnership**



Prof. Rachmat Witoelar
*Special Envoy for Climate Change
Government of Indonesia*

Dr. Kerri-Ann Jones
*Assistant Secretary for Oceans, Environment, and Science
U.S. Department of State*

Agus Purnomo
*Special Assistant to the President of the Republic of Indonesia
on Climate Change*

June 18, 2013

Jakarta

On June 18, 2013, USINDO hosted a Special Open Forum and Public Consultation with Prof. Rachmat Witoelar, Special Envoy for Climate Change, Government of Indonesia; Dr. Kerri-Ann Jones, Assistant Secretary for Oceans, Environment, and Science, U.S. Department of State; and Mr. Agus Purnomo, Special Assistant to the President of the Republic of Indonesia on Climate Change.

Other U.S. and Indonesian government agencies were represented on the panel. From the U.S.: USAID, Millennium Challenge Corporation (MCC), Environmental Protection Agency (EPA), National Oceanic and Atmospheric Administration (NOAA), and U.S. Forest Service (USFS). From Indonesia: National Climate Change Council (NCCC), Ministry of Forestry, Coordinating Ministry for People's Welfare, and Indonesia Climate Change Center (ICCC). This brief is USINDO's summary of their talk.

The video of the presentation can be watched [here](#), and the public consultation session can be watched [here](#). Agus Purnomo's slide presentation can be viewed [here](#).

Introduction: Ambassador David Merrill

President Susilo Bambang Yudhoyono and President Obama launched the U.S.-Indonesia Comprehensive Partnership in 2010. As the second and third largest democratic countries respectively, the U.S. and Indonesia are working closely to look for opportunities to strengthen their relationship and to address future problems that may arise between the two countries. Previously, both presidents made clear that a vital partnership consists not only of government-to-government activities, but also of active collaboration between the countries' civil societies. In fact, they said they consider engagement of the public to be the core of the partnership.

Public consultation promotes a stronger, more active collaboration between the two countries. It helps to ensure that the partnership will be a long-lasting one—not only limited to the presidents' terms. We are most pleased that today's public consultation, which is connected with an officials' Working Group meeting this afternoon, marks the first officially recognized public-private dialogue between the public and a Working Group of the Comprehensive Partnership.

Welcoming Remarks: Ambassador Scot Marciel

For years, the U.S. and Indonesia have enjoyed good relations. However, the two countries are not working closely enough, according to Ambassador Marciel. Working groups and public consultations can help. And with the Comprehensive Partnership, both countries have created groups, tasked with identifying challenges in the Partnership and fixing them. Now, Americans and Indonesians are working together, thereby strengthening the U.S.-Indonesia relationship. Today's public consultation, Ambassador Marciel said, is the latest example of that. By meeting and discussing issues, which concern both countries, the U.S.

and Indonesia will ensure a long-term and mutually beneficial relationship.

Opening remarks: Prof. Rachmat Witoelar

Climate change is a man-made issue, and despite being incredibly vulnerable to climate change's effects, Indonesia may become one of the largest emitters of greenhouse gasses if its economy continues to grow. But the Indonesian government recognizes the risks, Professor Witoelar noted. It has introduced a national action plan to reduce greenhouse gas emissions by 41% in 2020.

The Partnership will help reduce greenhouse gas emissions even further. As part of the Climate Change and Environment Working Group, experts and government officials from both Indonesia and the U.S. will work together to formulate policies that will mitigate the effects of climate change in Indonesia.

But the government, according to Professor Witoelar, cannot slow climate change on its own. It needs civil society's cooperation. NGOs and the media, for instance, must explain the dangers of climate change. They must encourage Indonesians to become stewards of their environment. Without such outreach, government policies will not be effective. Indonesians will not change their consumption habits. Nor will they understand or care about the government's climate change initiatives. Therefore, Professor Witoelar concluded, the government and civil society must work together—such as with today's event—to create a broad-based consensus about the need to reduce greenhouse gas emissions.

Opening remarks: Assistant Secretary of State Dr. Kerri-Ann Jones

When the Comprehensive Partnership was agreed to in 2010, both countries recognized the dangers of climate change. They created the Climate Change and Environment Working Group to identify and mitigate those dangers.

However, the Group's annual meetings are not enough, Dr. Jones emphasized. Many other things need to be done to mitigate and adapt to climate change. The government cannot do it all alone. It needs to work with civil society, the private sector, and the scientific community. Dr. Jones also said that governments, by their very nature, are cautious and slow-moving. Their authorities and officials can be isolated. They do not see or experience the effects of global warming first hand. Therefore, they must engage with civil society, so they can identify and quickly solve the problems resulting from climate change.

Key Remarks: The Evolution of Indonesia's Climate Change Policy by Agus Purnomo

Indonesia, Agus Purnomo acknowledged, has suffered from the impacts of climate change. As a result, Indonesia is committed to international efforts to reduce greenhouse gas emissions.

With approximately 123 hectares of forest, Indonesia will play a big role in international climate change policy, and the government, Pak Agus said, needs to sustainably manage Indonesia's forest and peatland. If it does not, climate change's effects could be

exacerbated.

Pak Agus explained that to combat climate change the Indonesian government developed an economic plan: to create jobs, to develop the economy, to address poverty, and to maintain the quality of the environment.

Indonesia's government has identified five measures to curb the country's greenhouse gas emissions. First, it plans to reduce deforestation with a carbon-trading scheme, and it will use degraded land for farming. Second, the government wants a "zero-burning" ban, outlawing the use of fires to clear land. Third, the government plans to conserve peat resources. Fourth, it plans to sustainably harvest the country's lumber, and fifth it will start a reforestation campaign. President Susilo Bambang Yudhoyono has embarked on a tree-planting program, and he hopes to seed 1 billion trees around the archipelago, Pak Agus said, so Indonesians will have a "greener" future.

Pak Agus noted that Indonesia already has achieved some milestones in its efforts to reduce climate change. In December 2007, Indonesia hosted the United Nations Framework Convention on Climate Change (UNFCCC) in Bali. Half a year later, the National Council on Climate Change (NCCC) was established. In 2009, President Susilo Bambang Yudhoyono made a pledge to reduce Indonesia's greenhouse gas emissions by 26% by 2020 without any international assistance. Yudhoyono pledged further reductions—41% by 2020—if the government receives international assistance.

REDD+, an international agreement to reduce greenhouse gas emissions, stipulates that Indonesia needs to develop a national emission-reduction strategy. Then, that strategy must be implemented. (In Kalimantan, implementation has already begun.) In the final phase, according to the agreement, Indonesia must develop a payment-upon-performance scheme.

The REDD+ Task Force will monitor Indonesia's emissions, using the MRV (Measurement, Reporting, and Verification) framework, so Indonesia can meet the REDD+ benchmarks and get its financial reward from the international community. Since being established in 2010, the Task Force, led by Minister Kuntoro, has suspended new permits for the use of primary forest and peatland. If Indonesia's government can effectively manage and protect its forest and peatland, Pak Agus believes it can prevent the release of half a gigaton of CO₂.

To ensure its continued compliance with the REDD+ Agreement, Indonesia must replace the REDD+ Task Force—its mandate expires in June 2013—with the REDD+ Agency. The government must seek out bright new recruits for the organization.

If Indonesia meets its targets, the government also must distribute the REDD+ funds to local communities. Doing so, however, will be difficult, according to Pak Agus. To ensure that the funds reach their intended recipients, the government must develop and test a way to disseminate the funds beforehand.

To slow climate change and to reduce Indonesia's greenhouse gas emissions, the Indonesian government needs to continue working with international partners. It also needs to integrate national and local budgets. And it must develop a legal framework, so it can support climate change laws and punish violators. Academics, researchers and experts must be involved, too. They can objectively monitor the government's performance and provide feedback. Last but not least, Pak Agus said all Indonesians need to remain committed to emission reduction, economic development, and poverty alleviation.

The 2014 elections may result in uncertainty. A new government may not be as interested in climate change and in policies to mitigate it. However, Indonesians can start preparing now, so climate change policies do not get pushed aside. By mobilizing public support, the media's backing, and international attention, Indonesia's efforts to reduce greenhouse gas emissions will not be abandoned after the 2014 elections, Pak Agus concluded.

Question and Answer Session

Q: In the universities, we don't know much about these programs. How do people learn more about them? Furthermore, are indigenous groups included in high-level meetings between the U.S. and Indonesia?

Dr. Kerri-Ann Jones: We can engage people in many different ways—with meetings like this, for example. We also provide information on our website. In the US, there are many meetings like this, involving scientists from the public and private sectors. The focus should always be how to have an efficient, productive interaction. We're constantly trying to reach that goal.

Amb. Scot Marciel: We have the Millennium Challenge Corporation (MCC) Compact program. US \$60 million will go to the Green Prosperity Program to promote sustainable economic development. We're starting in Jambi where we regularly meet with NGOs and indigenous peoples. \$300 million overall goes for green projects.

Prof. Rachmat Witoelar: We try to reach out to all Indonesians. Using assessments conducted by the Ministries of Environment and Forestry, we try to educate students and academics about the climate change agenda.

Mr. Agus Purnomo: At the NCCC, we have a network of about 40 universities that have already met half a dozen times in the past few years. Other universities are involved in the climate change issue as well. They participate in UNFCCC meetings, and they learn from international climate change scientists. We plan to support their on-going efforts.

The indigenous community will have a permanent seat on the REDD+ Agency's Board and Advisory Board. It is a commitment that we have to fulfill.

Q: One of the top five mitigation measures that Pak Agus mentioned is zero burning. I hope the working group pursues this to avoid more haze problems that spread to other countries.

On the moratorium policy, you said it has been extended. It looks fine on paper, but to what extent is it being implemented on the ground? In East Kalimantan, one official admitted that new permits were still being issued at the local level. This could be a real test of the MRV mechanism.

Assistant Secretary, President Obama stated that he will respond to the threat of climate change, knowing that the failure to do so would betray our children and future generations. Based on his statement, will President Obama accept an international legally-binding agreement to reduce carbon emissions? What kind of executive orders can President Obama issue, relating to climate change and the Kyoto Protocol?

Pak Rachmat, the UNFCCC will meet again in Warsaw in November 2013. What position would you like the U.S. to take after President Obama's statements on climate change?

Mr. Agus Purnomo: It is true. There still are problems with implementation on the ground. Local permits and national permits co-exist. Regardless of the Ministry of Forestry, local governments issue local permits on their own. Some of the local permits are illegal. They cover areas that are not supposed to be developed. Law enforcement agencies can deal with these problems. In addition, the Ministry of Forestry cancels about 1000 permits issued by the local authorities every year. It's an ongoing challenge.

Dr. Kerri-Ann Jones: In the U.S., an executive order is powerful. The president can compel agencies to pursue and implement certain policies, regarding climate change. Obama can demand that the Environmental Protection Agency (EPA) adopt certain air quality and emission standards. Even if the U.S. Congress is unwilling to act, the president can still pursue policies to combat climate change. In fact, he's doing that right now. He and his advisors are looking at every action that can be taken.

The international community is working hard to create an agreement that will treat our country and our industries fairly. Major emitters will make varying commitments, based on their national circumstances. We are committed to this process. We are working hard to make it a successful negotiation.

Prof. Rachmat Witoelar: In the negotiating process, there are many challenges. To create an international treaty, suitable for all parties, we can modify the CBDR (Common but Differentiated Responsibility) Agreement from Bali. Every nation, according to the Agreement, has a responsibility to reduce emissions. As Pak Agus mentioned, Indonesia has pledged to voluntarily reduce its greenhouse gas emissions, proving that developing nations also can combat climate change.

Q: I have a question about the MCC. How is it different from the financial support received from Singapore and Malaysia?

Mr. Troy Wray (MCC): MCC is a different program implemented by the Government of Indonesia. We have learned what efforts are most effective. We have realized the importance of community actors. Without their help, fighting climate change will be difficult. We have spent over two years, reaching out to them, so we can work together to mitigate climate change. Now, we also can help them sustainably develop their local economies.

Q: I represent Organda DKI, the land transportation company in Jakarta. We are in charge of city buses, which are the largest contributors to Jakarta's air pollution. Recently, the government required us to renew 3300 buses. This would cost a lot. Meanwhile, our buses are forced to charge only Rp 3000 per trip.

We plan on cooperating with a Chinese company that can supply the bus frames and with a U.S. company that can provide environment-friendly engines. To make this happen, we would like to have a tax incentive. Without it, we may not be able to survive. We may have to go back to diesel, which will not reduce air pollution.

Prof. Rachmat Witoelar: When I met the Minister of Environment a few weeks ago, I suggested a moratorium for transportation in Indonesia—not only for buses, but also for private cars and motorcycles. The moratorium would include all cities, not only Jakarta.

Only the Minister of Finance can give a tax incentive for public transportation. The government also can implement a CDM (Clean Development Mechanism), which will reduce greenhouse gas emissions.

Mr. Farhan Helmy (ICCC): The Ministry of Transportation will develop a sustainable transportation-management system. It will be one of the first climate change-mitigation projects submitted to the UNFCCC. The funding will come from REDD+ financing, and tax incentives will be a part of it.

Q: Today, Indonesia does not have any tax incentive program like in the U.S. A lot of businessmen, especially developers, are reluctant to pursue sustainable policies because they are way too expensive, and the government does not compensate them for any of the costs. Therefore, I think a tax incentive program is important. Could you share the framework of the U.S. tax incentive program that could work in Indonesia? Do you have any grassroots climate change programs for remote areas that could be easily implemented?

Mrs. Kit Batten (USAID): Many U.S. government programs involve multiple government agencies, working on different tax incentives and investments to encourage efficiency. Unfortunately, our Department of Energy colleagues, who are engaged in many of those activities, are not here today.

Mr. Mark Kasman (EPA): I would say that we do a lot of programs that provide incentives

for green building and green infrastructure. We will be happy to share them with other governments, including Indonesia's.

Q: I'm disappointed by the lack of conversation about maritime issues and how they relate to climate change. How is the marine environment taken into account? I would suggest that Indonesia ratify the Coral Triangle Initiative for coral reefs, fisheries, and security. I wonder if there is any comment on that.

Mr. John Hansen (USAID): We have a very robust marine conservation program that focuses on two different actors: the government and the fishermen. The government protects 20 million maritime hectares. Meanwhile, the fishermen work with the Ministry of Marine Affairs and Fishery. Together, we work on improving productivity and sustainability, and maximizing the economic yield of Indonesia's fisheries. We also cooperate with large NGOs that have been involved with the Coral Triangle Initiative.

Mrs. Staci Rijal (NOAA): NOAA has many partnerships, focusing on marine ecosystems and how climate change affects them. We have an Ocean Climate Observation Partnership with the Ministry of Marine Affairs and Fishery and with BPPT (the Agency for the Assessment and Application of Technology). Together, we monitor marine ecosystems' health. We are looking forward to continuing our work with Indonesia.

Mrs. Eka Melissa (NCCC): For us, the ocean and fishery issues are just as important as the terrestrial issues. Unfortunately, our delegates, who are in charge of maritime issues, are currently meeting in Bali.

Q: Is there any initiative involving renewable energy, such as solar cells and wind turbines?

Mrs. Kit Batten (USAID): USAID and Indonesia's national and local governments work together on renewable energy projects. One project, called ICED (Indonesia Clean Energy Development), builds hydropower and bio-gas facilities that produce clean energy. ICED will reduce transportation and energy emissions. It will create an additional 120 million watts of clean energy.

Mr. Troy Wray (MCC): Indonesia's Climate Change Center developed a Low Emission Development Strategy (LEDS), focusing on renewable energy. By bringing together scientists and political leaders, the Center hopes to give climate change experts a more prominent role in the policy making process.

Mr. Budi Kuncoro (MCA-I): One of the MCC's programs is the Green Prosperity Program. We invest directly in renewable energy programs, such as solar, bio-gas, and bio-fuel.

Mrs. Kit Batten (USAID): We have been working with a number of different ministries, such as the Ministry of National Planning, especially in North Sumatera. We coordinate closely with the Indonesian government on the Green Growth Strategy.

Q: I would like to ask about sustainable economic development. Regarding our programs to reduce climate change, there is a two-phased approach. In the first phase, the government invests in infrastructure. In the second, the government, using economic corridors, connects Indonesia's local economies. But the phases may not result in a Green Prosperity Program, but in a Green Disparity Program. We have to be very careful.

Also, centralized policy making is on the decline. No single entity or government body controls the process. Rather there are numerous entities: the President's office, the Vice President's office, and numerous other advising bodies. After the 2014 elections, many new decision makers will arrive. How can we use research studies to craft policies if there is no political continuity?

Mr. Farhan Helmy (ICCC): We are establishing a comprehensive framework to reduce greenhouse gas emissions. We are trying to incorporate market and non-market mechanisms into the framework, so we can more effectively combat climate change.

Today, the issue is how to formulate credible climate change policy. We get data from various sources, and we use it to work with national agencies to create and implement reforms. It is a balance between policy and research. And to maintain that balance, we must engage the scientific community, policy makers, and NGOs.

We just released a definition of peatland, so we can better assess global peat management. We also have examined various incentives to reduce the destruction of peatland, which contributes to climate change.

Regarding the 2014 elections, I'm optimistic. I think there's still time to engage the major stakeholders and policy makers about climate change issues.

We're also working on the MP3I (Master Plan for the Acceleration and Widening of Indonesia's Economic Development) with KADIN (Indonesia's Chamber of Commerce and Industry). We will establish an Infrastructure Summit in 2014. Later this month, we will sponsor a national dialogue, so we can discuss how MP3I can be incorporated into the Green Prosperity Program.

Mrs. Eka Melissa (NCCC): Already, new policies are being synchronized. We have a unit in the BAPPENAS (National Development Planning Agency) that works on the MP3KI (the K stands for *Kemiskinan* or poverty). Also, at the Ministry of Economy, a new unit specializes in environmental studies.

Comment: My concern is that not many people know about or believe in MP3I. It seems like political jargon, which cannot be taken seriously. Recently, many say MP3I will be accelerated. But will that actually happen? Some of the reforms proposed by BAPPENAS and other agencies need to be implemented urgently.

Mr. Farhan Helmy (ICCC): Regarding MP3I, KADIN would like to see a government report or analysis, outlining the government's progress, because so far the results on the ground

are less than expected. Also, we want to see the government's criteria for land acquisition.

With the Green Prosperity Program, the Economic Ministry wants to be involved in the Green Infrastructure Projects.

We are involved with the MCC, too. Not only are we trying to implement development projects. We also need to ensure access to continued investment, so our projects can continue.

Comment: The U.S. and China cooperate on environmental and climate change issues. However, Indonesia must focus on two goals: technology transfer and strengthening capacity. My general comment is that the Indonesian government should coordinate technology transfers and capacity building with developed countries.

Mrs. Kit Batten (USAID): I agree with your comment. Capacity building and technology transfers are important issues. As the head of Climate Change with USAID, that's not our focus, though. We focus on mitigation and adaptation. However, both are strongly linked with economic growth and, therefore, capacity building. Technology transfers do play a role, but it's a small one. Capacity building involves many layers.

Mr. Farhan Helmy (ICCC): We are working closely with the national and subnational governments. Some mayors, for example, are focusing on capacity building and on low-emissions development. However, many others are still skeptical about sustainable development. It's easy to make promises, but how are they implemented?

Mr. Charles Barber (U.S. Department of State): Technology transfers vary by sector. In the communication sector, investing in technology cooperation is different than in the biotechnology sector, for example.

To overcome these obstacles, we focus on each region, seeing how various technologies can contribute to a province's economic development. Indonesia's government has lead similar efforts. And together we monitor how investment impacts terrestrial and oceanic ecosystems.

Q: I am curious how you engage with DPR staffs. How do you get them involved?

Mr. Farhan Helmy (ICCC): To be honest, engaging the DPR is not easy, compared with other government agencies. However, we have worked with the DPR to establish the Green Economy Caucus and with many DPR members on the Globe Initiatives. We also work with provincial governments, such as in East Kalimantan and Central Kalimantan, so we can implement reforms and initiatives.