SUMMARY

UNORCID Green Economy Stakeholder Coordination Meeting

22 October 2013, Papua room, Menara Thamrin 7th floor, JL.M.H. Thamrin Kav.3, Jakarta Pusat

The meeting was opened by Satya Tripathi, Director of UNORCID who underlined the timeliness of this meeting to improve synergies between initiatives and to address issues of potential overlap between Green Economy projects in Indonesia.

Dr. Nirarta Samadhi, Deputy Head of the President's Delivery Unit for Development Monitoring and Oversight (UKP4), delivered a presentation on **Green Economy mainstreaming in Indonesia** which described the larger role of Green Economy in the Government of Indonesia's (GOI) five-year, medium-term plan for 2015-2019 (RPJMN). He underlined that Green Economy is an integral component of Indonesia's Low Emissions Policy Framework. Dr. Samadhi described the stakeholder engagement that is already underway and the need for the synchronisation of initiatives as important aspects of the Government of Indonesia's (GoI) Green Economy Policy Framework.

Dr. Sonny Mumbunan, Senior Economist of the President's Delivery Unit for Development Monitoring and Oversight (UKP4), delivered a presentation on **Indonesia's commitment to transitioning to a Green Economy**. The presentation underlined that Indonesia's economy remains commodity-dependent and vulnerable to price shocks. Past development policies are leading to a depletion of natural capital undermining Indonesia's long-term development potential. The existing green policy framework consists of (1) being pro-environment, in accordance with the 2009-2014 Mid Term Development Plan; (2) having a National Action Plan for Reducing GHG emissions for mitigation and adaptation and with sub-national levels (RAN GRK) in place; (3) the enactment of the Environmental Protection Law (UU 32/2009)—which uses economic instruments for environmental objectives and requires an environmental impact assessment for all government-related planning; and (4) the use of the System of Environmental-Economic Accounting (SEEA).

Dr. Mumbunan then detailed successes in REDD+ thus far, highlighting Indonesia's partnerships, the National REDD+ Strategy, and the recent extension of its concessions moratorium. He also underlined the target set by the GoI of 30% of Indonesia's total energy mix to consist of renewables by 2050, and highlighted the incentives provided for geothermal development by setting the ceiling price at 9.7 cents/kWh.

According to Dr. Mumbunan, key challenges that lie ahead include the dominant role of resource extraction—notably the oil palm and coal industries—in driving economic growth, continued dependency on forest resources for livelihood security by the Outer Islands, and decentralisation/regional autonomy. Currently, districts and municipalities generate fiscal revenues by

resource extraction, which often leads to environmental degradation. Voter preferences in resource-rich areas are "brown," and good environmental policies are not sufficiently incorporated in the process of fund transfers from the central to local governments. Other threats include the high potential of Indonesia's shale gas and oil sectors, high transaction costs in the renewable energy sector, and the relatively low competitiveness of REDD+ compared with "brown" activities. 78% of Indonesia's emissions currently come from land-use change and forestry (LUCF), and Dr. Mumbunan argued that REDD+ will only yield the desired results if it is fully embedded within the country's Green Economy policy framework.

Comments and questions regarding the presentation revealed the following:

- Coordination mechanisms are complex among the national and sub-national levels but helpful for furthering Green Economy objectives.
- There is still a need for research and transparency regarding linkages between REDD+ and economic growth.
- Projects are now in the implementation stage rather than the strategy stage, and they are facing challenges, including the large number of local actors involved in implementation.

In order to enhance coordination among stakeholders, allow them to better understand where gaps exist, and exchange lessons learned in the field of Green Economy, UNORCID elaborated a database listing projects in the Green Economy sector. Johan Kieft's presentation **"Towards A Comprehensive Green Growth Project Database in Indonesia"** aimed to provide input as to how this database was elaborated and on what methodological and theoretical grounds it rests. In order to do so, Mr. Kieft took UNEP's definition for "Green Economy" as a starting point and explained how it had been used as a basis for the database elaborated by UNORCID's Green Economy Unit.

According to UNEP's definition, a "green economy" is one that results in "improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities". Considering the broadness of this definition, Mr. Kieft underlined the necessity to identify additional criteria enabling to better select Green Economy projects in Indonesia and include them in the database. He explained that projects that develop strategies aiming to go beyond the existing baseline development plan were included. According to his analysis, such a requirement involved "greening" policies and encouraging policy reforms, reducing greenhouse gases emissions while generating co-benefits and/or initiating green behaviors within governmental or private bodies.

Mr. Kieft explained the process followed by the Green Economy Unit to elaborate the database. Existing data sources were first reviewed and completed by internet searches, in order to find projects corresponding to the defined criteria. Projects were then classified according to their main focus (energy, general policy, forestry and land-use, regional focus, local focus, etc.); then, implementing agencies, donors, project managers were contacted, in order to update and complete the information,

Ideas for future developments were then developed in the conclusion. They included for example the use of the database in the Indonesian Climate Finance Options Framework. Next steps should also involve further improvement of both the classification process and of the Green Economy definition. Johan Kieft suggested a specific definition for Green Economy in Indonesia be elaborated as well as a gap analysis based on the policy priorities defined by the Government of Indonesia. Other ideas included identifying green economy lessons learned and expanding the database to pipeline projects and activities.

In response, participants provided additional inputs to the entries in the data base. The discussions after the presentation revealed that several stakeholders are interested in working in partnership with UNORCID in order to further share information and experiences, integrate projects in the database, and coordinate research efforts to avoid overlaps

Other key questions and suggestions made during the discussion are as follows:

		Answer
Questions	How frequently should the information in the database be updated?	The updating is a regular process and the aim is to present an updated version once every two months.
	How to define ownership of this database?	The principal ownership lies with the Government of Indonesia.
	Will the database be transferred to a public domain at some point?	That depends on the GoI and if stakeholders feel the need to do so.
Suggestions to improve the database	Include information on partnerships with the private sector;	An extra column can be added the information can be added to remarks.
	Add a column on potential or actual GHG emissions reductions;	Possible if information available.
	Add a column on the geographical focus of the project'	Yes, this is possible.
	Add a column on project needs in terms of policy support;	Yes, this is possible.
	Provide access and means for stakeholders to update the database	The database will be shared with stakeholders.
	Include programmes or projects not yet funded at national and local levels;	We can include these in a separate list.
	Include adaptation projects;	Beyond the scope of the data base
	Enhance the focus on the implementers and identify entry points of the project.	To an extent; main focus remains coordination and not project implementation.

Discussion amongst participants was then facilitated by Jyoti Mathur-Filipp, Head of UNORCID's Partnerships and Coordination Unit. The focus of the discussion was on the development of future coordination frameworks in the field of Green Economy.

Key remarks, ideas, and observations:

- Identifying methodologies with regards to the definition of green growth and green economy may be a good starting point for coordination between stakeholders, as it would enable a common understanding of green growth to emerge.
- In some areas, coordination frameworks are available (general climate change activities, sustainable production), but there is a need for coordination mechanisms in other areas (sustainable consumption, for example).
- Topical discussions are seen as an adequate and useful format for further Green Economy Coordination meetings. They would allow for stakeholders to exchange on lessons learned, and get a better understanding of the landscape in their field of work.
- Linking and coordinating the different types of existing databases (linked to Indonesian environmental laws and regulations, or to general climate change activities, for example) would be a useful tool for stakeholders.

The date for the next coordination meeting will be 4 December 2013 and Mr. Pavan Sukhdev, UNEP Goodwill Ambassador will present his work on a green economy transition in Indonesia.