



MAINSTREAMING CLIMATE CHANGE INTO NATIONAL DEVELOPMENT PLANNING

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INTRODUCTION: Climate Change : Global Challenge

Climate change can be defined as change which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

- The scientific evidence are overwhelming : CLIMATE CHANGE IS A SERIOUS GLOBAL THREAT AND IT DEMAND AN URGENT GLOBAL RESPONSE (The Stern Review)
- The impact of climate change is one of the most significant environmental challenges facing the world today.



INTRODUCTION: the consequences of climate change

- Rising sea levels from melting ice caps
- Extreme weather
- Desertification
- Lower crop yields
- Mass migrations
- Drinking water shortages
- More “vector-borne” diseases such as malaria
- Changing ecosystems
 - Destroyed homes and habitats
 - Less biodiversity, fewer species



INTRODUCTION: Who is affected by climate change

The negative impact of climate change span multiple sectors and development issues, and the distribution of major climate-change risks is biased toward low-income countries and poor groups, because they are:

- Heavily rely on climate change-sensitive sectors (Agriculture, Fisheries)
- Are less able to respond (lack of human, institutional and financial capacity)



INTRODUCTION: National Circumstances

Indonesia :

- Is the largest archipelagic in the world consisting of more than 17,500 islands;
- consists of 3.1 million km² of sea (62% of the total area) and 2 million km² of land area, with shoreline of 81,000 km;
- Lying along equator, has tropical climate with 2 distinct monsoonal wet and dry seasons.
- Population: 222 million people (2006)



Impact of Climate Change to Indonesia

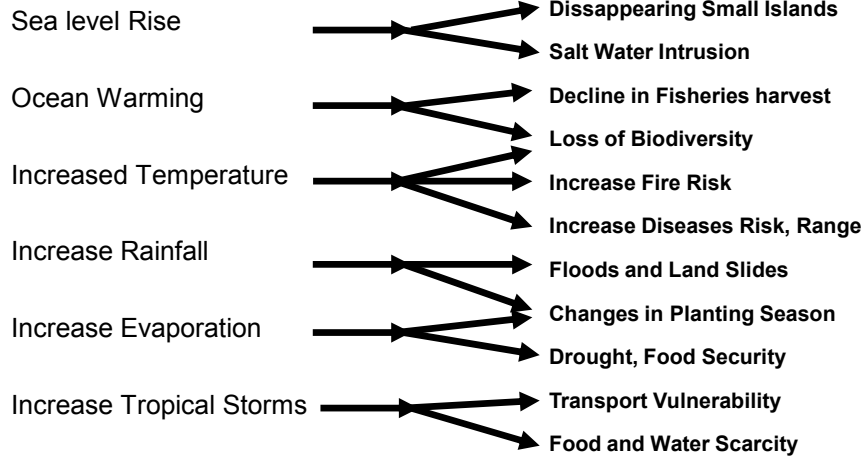
- There were >1,400 disasters in 2003-2005; around 53% related to hydro-meteorology (flooding 34%, land slide 16%)
- During El Nino years, 8 reservoirs in Java have produced electricity below normal capacities
- The availability of water is very dependent on climate. Limited supply of water causing people and industries use deep groundwater resources
 - land subsidence
 - create areas vulnerable to flood and salt water intrusion



Impact of Climate Change to Indonesia

Climate Change Effects

Impacts on Indonesia



Why Should climate change issues paid attention by development agencies?



Why Should climate change issues paid attention by development agencies?

...because climate change threatens progress on poverty reduction and achievement of MDGs

- Poorest nations and poor group are likely to be hardest hit by the effect of climate change, because they:
 - Heavily rely on climate changsensitive sectors (Agric, Fisheries)
 - Are less able to respond (lack of human, institution and financial capacity)



Why Should climate change issues paid attention by development agencies?

...because “mainstreaming” is the recommendation of the convention:

- Article 3 para 4 Climate Change Convention:
 - The all parties have a right to, and should, promore sustainable development. Policies and muasures to protect the climate system against human-induced 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 essentials for adopting measures to address climate change
 - As the country who has ratified the convention, this has to be moral obligation of the country to fulfill international appeal



Why Should climate change issues paid attention by development agencies?

...because adaptation correlates to economic and financing compensation –equity and justice dimension

- Poor country and poor people contributed less to the climate change problem through gas emissions
- Developed countries has obligation to reduce the emission and provide technical and financial assistance to help the most vulnerable countries and people to cope and adapt the climate change
- Financial mechanism for climate change: SCCF & LDCF (voluntary contributions) and Adaptation Fund (Share proceeds of CDM)



INTEGRATING CLIMATE CHANGE ISSUES INTO NATIONAL DEVELOPMENT PLAN



Indonesia Commitment toward Climate Change

Indonesia's President Statement (UN Conference 2007):

“There is no need to wait to begin reducing greenhouse gas emissions”

“Indonesia is taking to reduce emissions from deforestation and to promote cleaner future energy paths”

“The developed country can take much more decisive action too”



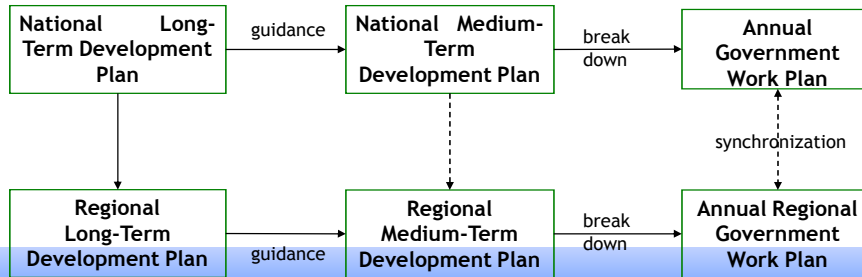
The Role of National Development Planning Agencies (BAPPENAS)

- Develop a state development guideline (Long-term national development plan)
 - Indonesia has developed it through Law No 17/2007;
- Translating program and work plan of elected president into mid-term and annual national development plan;
- Using mid-term and annual national development plan as reference in allocating the annual state budget into the sectoral agencies and regions (In coordination with Ministry of Finance);
- Coordinating and positioned as “the entry gate” of all foreign assistance and lending cooperation;
- Domesticating relevant international concerns into development agenda (such as climate change);
- Develop and coordinate cross sectoral policies and program (such as poverty reduction, infrastructure, natural resources management).

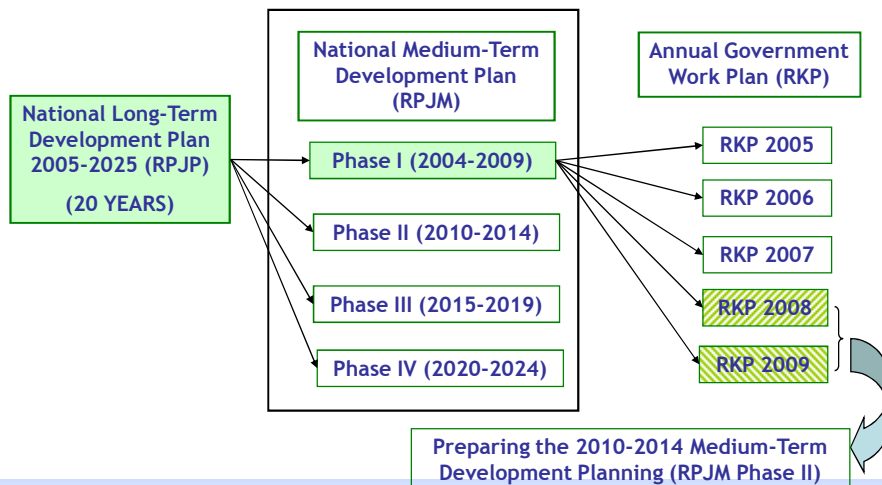


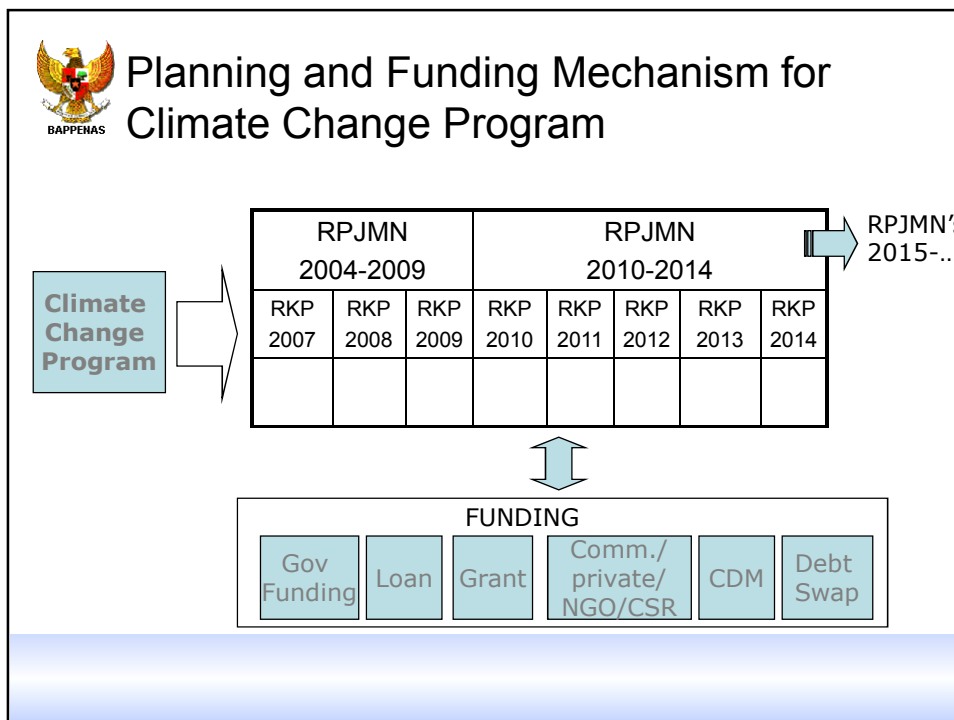
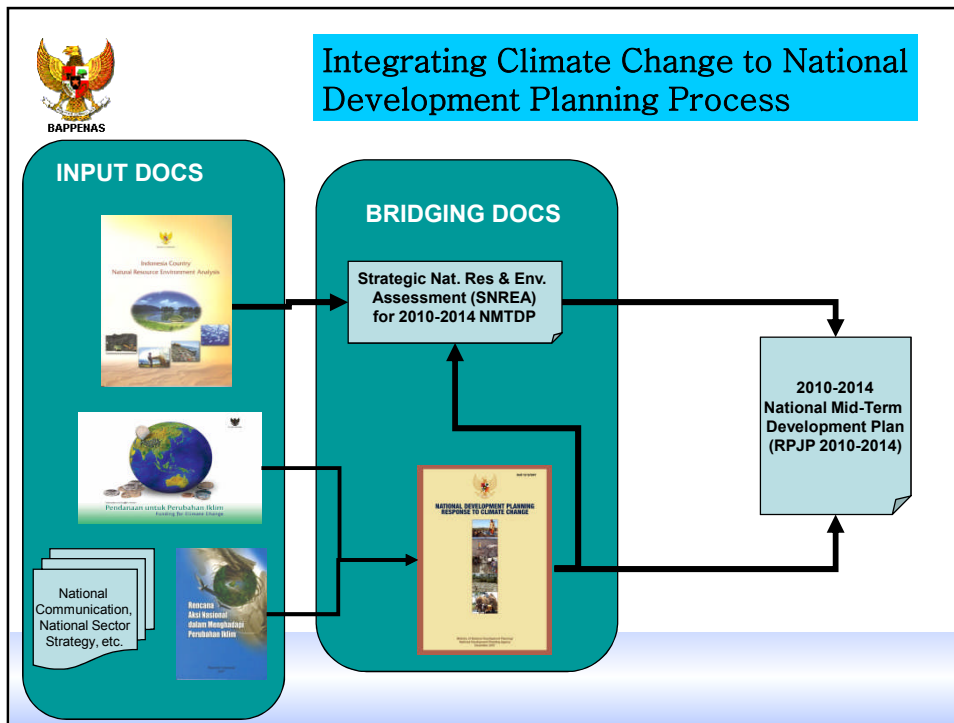
Scope of Development Planning

NATIONAL	REGIONAL
National Long-Term Development Plan	Regional Long-Term Development Plan
National Medium-Term Development Plan	Regional Medium-Term Development Plan
Annual Government Work Plan	Annual Regional Government Work Plan



Terms of National Development Planning







Climate Change Financing Policies

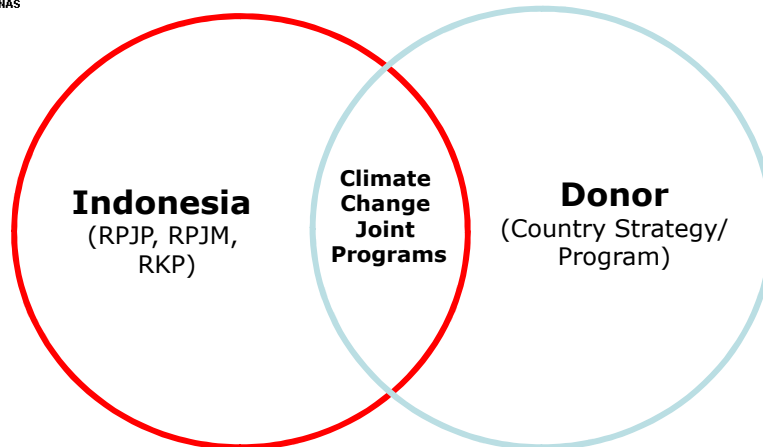


Indonesia Own Budget:

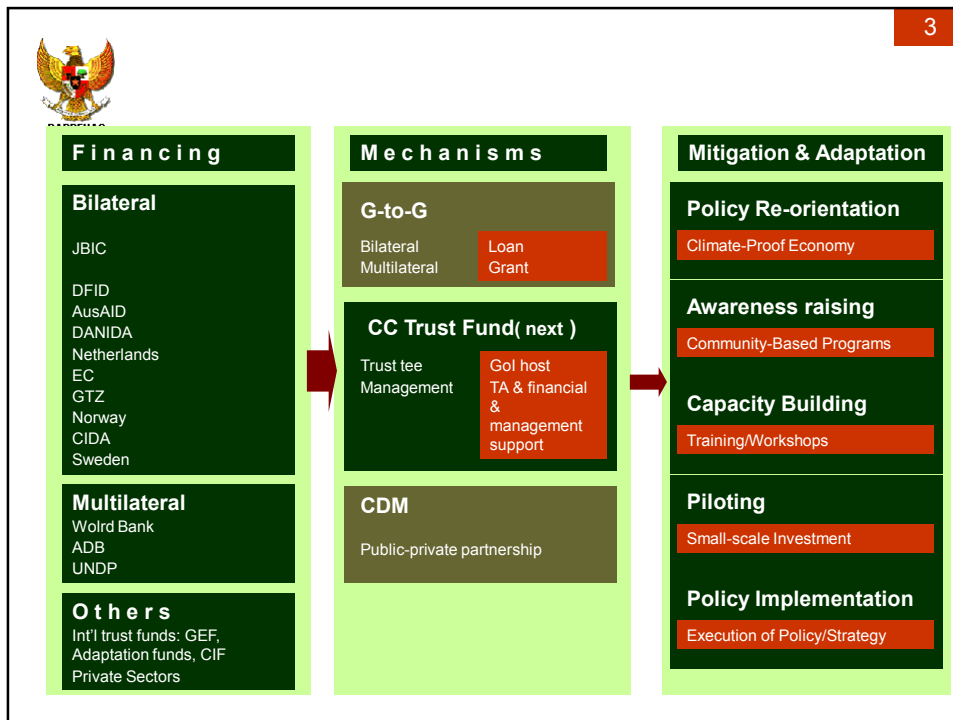
- Indonesia is already responding to this challenge in anticipation of the future consequences.
- In 2007 and 2008, central government spending on environmental programs over 2006 levels to 6 trillion rupiah was doubled.
- At the regional level, we have also nearly doubled spending to 6 trillion Rupiah on reforestation and special funds for environment and conservation.
- Together, these funds amount to USD 1.4 billion spent on environment management, conservation and forest restoration.
- In 2005, Indonesia also instituted a large increase in fuel prices by reducing subsidies that will encourage energy efficiency , while protecting the poor.



Foreign Funding:



→ The support of developed countries on Climate Change Program all over the world should be in addition to their commitment to support MDG's achievement through ODA(0.7 % GNP)



BAPPENAS

Foreign Funding to support Program of Climate Change

- Preferably grant and *debt swap*
- Cooperation:
 - program
 - project
 - Technical assistance
 - *Policy advice*
- *Loan (less priority)*



Climate Change Financing Mechanism Principles applied by Indonesia:

- UNFCCC Convention
 - Article 11: grant and/or concession...
 - Prefer to have ODA+
- Paris Declaration
 - ownership, donor harmonisation, governance,...
- In line with national interest and financing regulation:
 - Long-term and Mid-term National Development Goals
 - State Law No. 17/2003 about State Finance and Foreign Loan and Grant Regulation (Government Regulation No.2/2007)

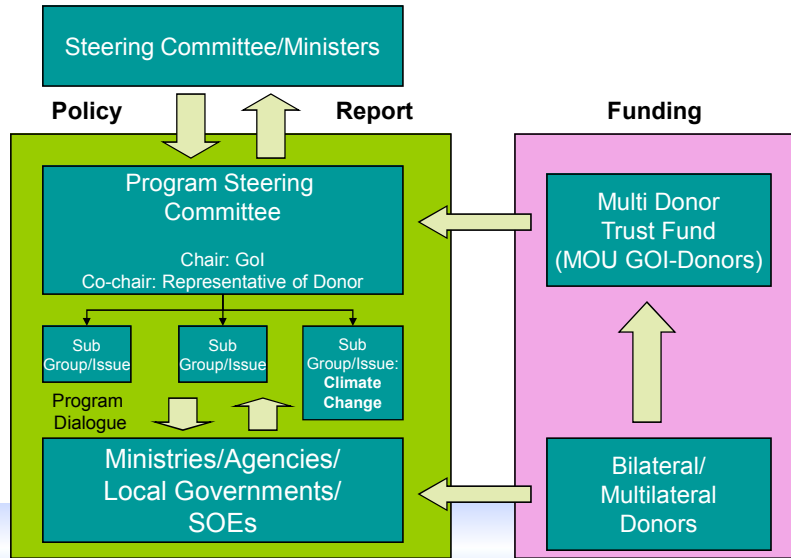


Schemes Accepted by Indonesia as Funding Mechanism for Climate Change:

- Non-UNFCCC mechanism:
 - Grant from Bilateral Countries or Multilateral Institutions (ODA and ODA+)
 - Foreign Loan (ODA and ODA+):
 - Program Loan: only for budget/fiscal deficit
 - Sectoral Loan: related to mitigation, except forest sector
 - Trust Fund International: (Climate Investment Fund/CIF - ODA)??
 - Trust Fund in Indonesia (managed by Gol and Donors) – (ODA)
- UNFCCC mechanism:
 - Global Environmental Facility (GEF)
 - Special Climate Change Fund (SCCF)
 - Adaptation Fund (AF)
- CDM investment through Bilateral, Multilateral and Unilateral sources



General Structures of Coordination/Dialogue with Donors



Thank You