

The Actions that can Deliver Better Growth

Realizing a more prosperous and sustainable vision for Indonesia requires a set of policies and interventions that provide clear incentives and signals for business and investors. These policies and interventions combine, among other things, the following immediate targets:



ENERGY SECTOR



Advancing a transition to renewable sources of energy and away from coal, in particular the scaling up of the share of renewable energy to 30% by 2045.



Increasing energy efficiency. Energy intensity to decline at an 3.5% average per year through 2045.



Increasing of share of biofuel up to 30% for transportation sector.



LAND & AGRICULTURE SECTOR



Full enforcement of forest and peatland moratoria to preserve at least 41 million ha of primary forest and peatland.



Increase reforestation up to 500,000 ha per year and reducing deforestation.



Peatland reforestation up to 300.000 ha per year, including to avoid peat fires.



WASTE & INDUSTRIAL SECTOR



Reducing of domestic waste up to 30% by 2025.



IPPU policy that will reduce emission factor by 50%.

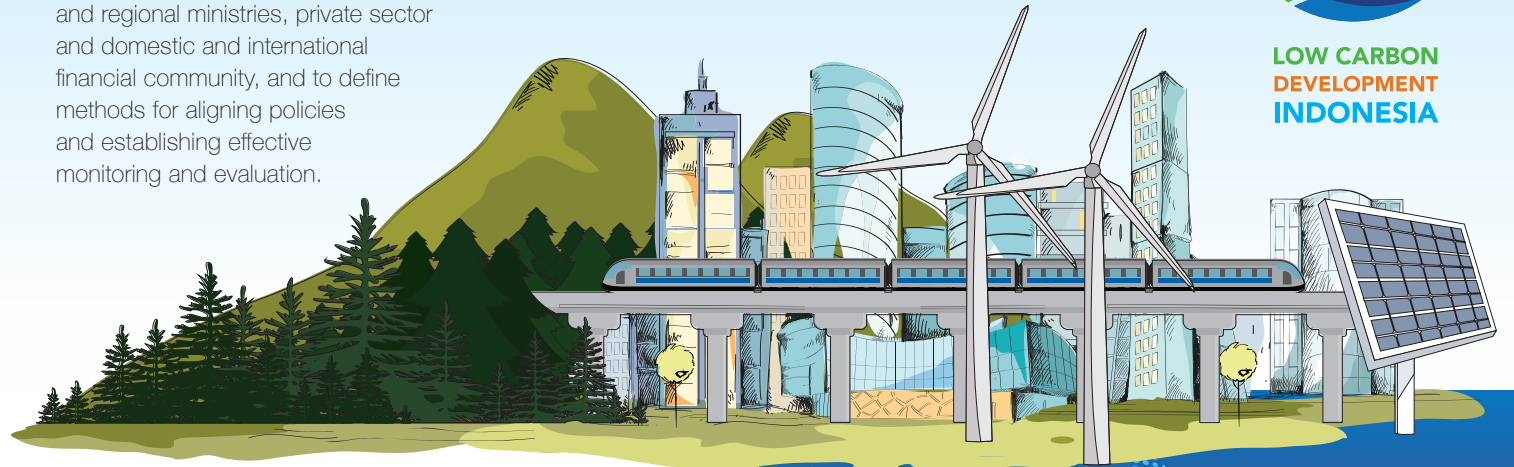


To implement an integrated and sustainable waste management through circular economy.

The right policies, technological changes, increase human capacity as well as innovative financing schemes will be needed. As such, new governance approaches will be required to coordinate across different national and regional ministries, private sector and domestic and international financial community, and to define methods for aligning policies and establishing effective monitoring and evaluation.



LOW CARBON
DEVELOPMENT
INDONESIA



LOW CARBON
DEVELOPMENT
INDONESIA

Indonesia LCDI Secretariat
Directorate of Environmental Affairs,
Deputy Minister for Maritime Affairs and Natural Resources,
Ministry of National Development Planning/
National Development Planning Agency (BAPPENAS)
Jl. Taman Suropati no. 2, Jakarta – Indonesia

www.lcdi-indonesia.id

INDONESIA LOW CARBON DEVELOPMENT INITIATIVE (LCDI)

SHIFTING TOWARDS A GREEN ECONOMY
IN INDONESIA

A Paradigm Change

Indonesia has made remarkable progress over the past two decades. During the period, Indonesia has halved extreme poverty, and with an average GDP growth rate of 5.6% per year between 2000 and 2018, per capita income has doubled. However, the unsustainable exploitation of natural resources, investment in high carbon energy sources, inefficient energy implementation, is depleting people's health and environment. Continuing down this path would further destroy natural resources, limiting economic growth, job creation and poverty eradication.

In 2017, the Government of Indonesia has set out to transform the country's economy into one where progress is measured not only



by GDP growth, but also environmental sustainability, launched The Low Carbon Development Initiative (LCDI) with the aim to integrate climate action into the country's development agenda. The LCDI is a process for identifying development policies that maintain economic growth, alleviate poverty, and support sector-level development target achievement, while simultaneously address climate change and preserve and improve the country's natural resources. Ministry of National Development Planning (BAPPENAS) lead the process and brings together related ministries, development partners, local and international experts, and civil society. By forging a low carbon development pathway, Indonesia can deliver better growth, better jobs, better health, and better living standards for all its people.

The Benefit

A sustainable, inclusive, long-term growth path can deliver GDP growth rate of 6% per year until 2045. The report launched by Bappenas in 2019 finds that a low carbon development pathway can unlock an array of economic, social and environmental benefit.

SOCIAL



Extreme poverty rate decreased to 4.2%



15.3 millions new job opportunities



Improved quality of living



Overcome gender inequality

ECONOMY



GDP growth rate 6% per years



GDP will increase more than \$ 5.4 trillion



Investment ratio to increase GDP will be lower

ENVIRONMENT



Improvement of air quality



40,000 mortalities/year from environmental pollutions



Avoid 16 millions ha forest loss



GHG emissions reduced up to 43%

Emissions intensity reduced up to 45%

Achieve Indonesia 2030 climate target!

Mainstreaming LCDI into Indonesia's National Development Policies

The LCDI is now has been integrated into Indonesia's National Medium-Term Development Plan (RPJMN) for the period of 2020-2024. A specific chapter in the RPJMN 2020-2024 has included LCDI policies and strategies within several sectoral policy recommendations, including: sustainable energy, sustainable land restoration, waste management, green industry, and blue carbon.

LCDI PRIORITY ACTIVITIES FOR 2020-2024



Development of sustainable energy



Waste management



Blue carbon



Development of green industry



Sustainable land restoration

Further, the Government of Indonesia has also included GHG emissions as one of macro-development indicators alongside with economic growth, poverty alleviation, gini ratio, employment rate and human development index. In this context, GHG emissions reduction progress and achievements will be closely monitored by the Government every year, in accordance with Indonesia's GHG emissions reduction target submitted to the UNFCCC.

INDONESIA'S MACRO-ECONOMIC DEVELOPMENT INDICATORS 2020-2024



Economic Growth (%)
5.4 - 6.0
2015-2018: 5.0



Poverty Rate (%)
6.5 - 7.0
Mar 2019: 9.41



Gini Ratio (index)
0.360 - 0.374
Mar 2019: 0.382



Open Unemployment (%)
4.0 - 4.6
Aug 2019: 5.28



Human Development Index (point)
75.54
2018: 71.39



27.3%
2018: 22.5%
GHG Emissions Reduction towards 29% by 2030 (Paris Agreement)