

# Climate Finance

# Experience from Indonesia



# Syurkani Ishak Kasim, Ph.D Vice Chairman

Fiscal Policy Agency, Ministry of Finance, Indonesia

#### Outline



- A. Climate Change and National Development Context
- B. Climate Change Financing
- C. Next steps



# Climate Change and National Development Context

### National Commitment



Indonesia became a party to the United Nation Framework Convention on Climate Change (UNFCCC) in Rio in 1992, which was ratified in 1994 through Law no. 6/1994

At the end of 2009, Indonesia announced its voluntary commitment to reduce Greenhouse Gas (GHG) emission until 26% from Business as Usual (BaU) emission by 2020 and further emissions reductions up to 41% are expected with international support.

Applying green & low carbon development strategy will provide opportunities for the government to achieve High Income Country status by 2033, by planning and managing the environmental risks associated with climate change and the losses and degradation of the country's natural resources.

In Paris COP-21, Presiden Joko Widodo announced Indonesia's INDC with new voluntary commitment to reduce Greenhouse Gas (GHG) emission to 29% from Business as Usual (BaU) emission by 2030.

The commitment will be implemented through several ways including effective land use and spatial planning, sustainable forest management, improved agriculture and fisheries productivity, energy conservation, and improved waste management.

# Long term development mission, 2005-2025

**Strengthen Democratic Pillars** 

**Development** 

Strengthen Justice in every aspect of





2020

Source: Ministry of Finance & National Planning Agency

26% (+15%)

• Reduced biodiversity loss



# Climate Change Financing

# Indicative Costs for Mitigation Action (2010-2020)



Sector	Core Actions*	Supporting Actions*
Forestry & Peat land	94.654,18	6.955,54
Energy & Transportation	48.357,89	2.286,10
Agriculture	36.804,07	882,10
Industry	1.000,00	1.290,00
Waste	44.709,33	4.949,52
Others	-	2.129,26
TOTAL	225.525,47	18.492,52

\*in Billion Rupiah

## Ministry of Finance's Fiscal Policy Domain in Climate Financing



Int'l Institutions & Mechanisms
IFI Policies, Global Funds,
Carbon Mkts, Debt swaps

#### **Ministry of Finance**

Policy Tools Available For Influencing Climate Change Mitigation / Adaptation

Indirect Influences
Technology Policy,
Strategic Industries
Tech. Transfer
R&D, Trade, dll

#### By managing

- Investment climate
- Pricing (fiscal) policies
- Direct spending
- Risk and financial mkts
- Sectoral rules & law

#### Can influence:

- Incentives
- Investments
- Industry
- Int'l \$ flows
- Pro Poor Approaches

#### Financial/Investment Policies

• Invest Climate (attract capital)

#### Taxes / Subsidies

- Tax/Fees/Charges
- Royalties / Rent Canture

#### **Expenditure Policies**

• Strategic Budget Priorities

#### **Direct Regulation**

- Enforcement / Incentives
- Zaning and Land Ha

## 预览已结束, 完整报告链接和二维码如下:

https://www.yunbaogao.cn/report/index/report?reportId=5 3397

