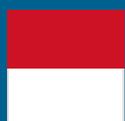


ASSESSMENT OF SUBNATIONAL AND NON-STATE CLIMATE ACTION



INDONESIA

September 2019



Indonesia

COUNTRY CONTEXT

Indonesia is the fourth largest global emitter of greenhouse gas (GHG) emissions, primarily due to significant emissions from its forestry sector – which reached almost 1.5 GtCO₂e/year in 2015. Indonesia has developed a number of policies to curtail its LULUCF emissions, including the Forest Moratorium (Kuramochi et al., 2018), which suspends the issuing of new licenses to use forest and peatland (Reuters, 2017). They also put in place a three year moratorium on new licenses for palm oil plantations (Mongabay, 2018). Despite these efforts, the country still maintains the highest deforestation-related emissions among G20 countries (Climate Transparency, 2018). Indonesia's emissions in other sectors are also worrying; the increase is mostly driven by the rising energy-related emissions. Indonesia has made progress in phasing out fossil fuel subsidies, although they remain high, but the country's investment attractiveness for renewable energy and overall renewable energy capacity are still low (Climate Transparency, 2018).

In its unconditional nationally determined contribution (NDC), Indonesia aims for a 29% GHG emissions reduction by 2030, relative to a baseline scenario. The latest assessment by NewClimate Institute, PBL and IIASA indicate (Figure 1, top panel) that the country would likely fall short of meeting its unconditional NDC target under current policies (Kuramochi et al., 2018).

INTERACTIONS BETWEEN NATIONAL GOVERNMENT AND SUBNATIONAL AND NON-STATE CLIMATE ACTORS

The interactions between national government and subnational governments have been historically more state led. Indonesian climate policy is based on National Action Plan for Greenhouse Gas Reduction (RAN-GRK), which is the central government policy guideline to implementing activities aiming to reduce GHG emissions. Provincial governments must create their own Local Action Plan for Greenhouse Gas Reduction (RAD-GRK) in line with the national targets presented in the RAN-GRK. Since 2010, more than 12,000 mitigation actions have taken place in the provinces under RAD-GRK, leading to almost 3 GtCO₂e in emissions reductions (PPN/Bappenas, 2019).

In recent years, city governments have become particularly active on climate action – an important development in Indonesia, due to the high number of cities with over 1 million inhabitants. Jakarta, the nation's capital and largest city (with over 10 million inhabitants) aims to reduce its GHG emissions by 30% from 2005 levels by 2030; Jakarta is also a member of the C40 Cities for Climate Leadership and ICLEI – Local Governments for Sustainability networks. Other Indonesian cities also have concrete emission reduction plans, supported by networks like ICLEI (13 Indonesian cities). Eighteen cities have committed to the Global Covenant of Mayors for Climate & Energy, which aims to support climate change action. Also, two model cities and six satellite cities participate in an Urban-LEDS project to create Low Emission Development Strategies, develop GHG inventories, make climate commitments, and implement a variety of climate solutions.

Expanding subnational and non-state engagement could help catalyse deeper emissions reductions. Indonesia's 34 provinces will be largely responsible for delivering its proposed emissions reductions (Utami, Juliene and Ge, 2016). Many participate in forums such as the Governors' Climate and Forests Task Force, which discusses ways to promote low emission rural development and reduce emissions from deforestation and land-use (REDD+). Since Indonesia's deforestation stems largely from its role as the world's largest palm oil producer (BusinessWire, 2017), companies operating in this sector play a powerful role in addressing this source of emissions. In 2018, Wilmar International, one of the biggest palm oil traders in the world, released a statement pledging to establish a deforestation-free palm oil supply chain from 2020 onward (Wilmar International, 2018). Additionally, as Indonesia's population continues to grow and gather in urban areas, strategies that address climate change and promote sustainable urban development could help the country both mitigate and adapt to climate change on the national level.

COMPARING SUBNATIONAL AND NON-STATE TRAJECTORY WITH NATIONAL TRAJECTORY

The assessment includes 7 cities, representing nearly 17 million people, that have made quantifiable commitments to reduce GHG emissions.¹ It also includes over 160 companies, controlling over \$9.7 billion USD in revenue² that have made quantifiable climate commitments, most frequently in the financial services and chemicals manufacturing sectors.

Together, these cities and companies represent 250 MtCO₂e/year in 2015, accounting for overlap between actors. If fully implemented and if such efforts do not decrease efforts elsewhere, they would reduce emissions in 2030 by an additional 100 to 180 MtCO₂e/year or 3.5% to 5.5% below the projected emissions under current national policies (Figure 1, bottom-left panel).

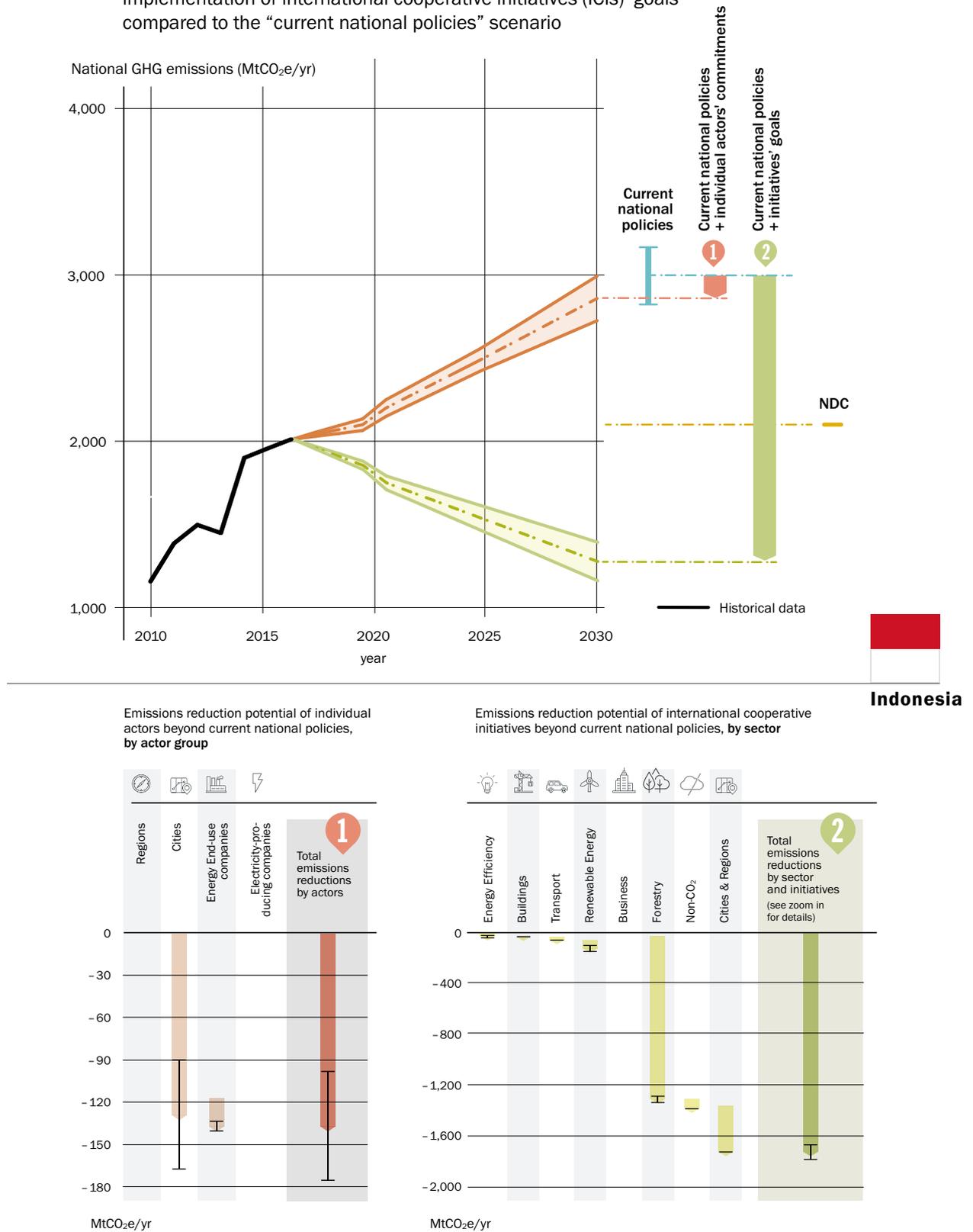
International cooperative initiatives (ICIs) – networks of cities, regions, companies, investors, civil society, and, in some cases, countries, pursuing common climate action – could take Indonesia even further. If they realise their goals, they could lower emissions in 2030 by 1,700 to 1,800 MtCO₂e/year below the projected emissions under current national policies (Figure 1, bottom-right panel). The largest potential reductions are observed in the forestry sector, since Indonesia is part of the Bonn Challenge, New York Declaration of Forests (NYDF) and the Governors' Climate and Forest Task Force (GCFTF). The potential impact of initiatives focused on cities and regions is also large, on the order of 370 MtCO₂e/year by 2030. A full implementation of global cooperative initiatives in Indonesia could decrease Indonesia's emissions by 56% to 59% below the current national policy scenario projections by 2030.

1 Quantifiable commitments to reduce GHG emissions typically include a specific emissions reduction goal, target year, baseline year, and baseline year emissions. See Technical Annex I for more details.

2 Companies' combined revenue reflects companies making quantifiable commitments to reduce GHG emissions, whose headquarters are in Indonesia, and whose revenue data is publicly available. See Technical Annex I for more details.

3 The world's largest companies are defined in terms of their inclusion in the 2019 Forbes 2000 and Global Fortune 500 lists.

Figure 1. Potential greenhouse gas (GHG) emissions reductions in Indonesia resulting from the full implementation of individual subnational and non-state actor commitments and the full implementation of international cooperative initiatives (ICIs) goals compared to the “current national policies” scenario



The „current national policies“ scenario (Kuramochi et al., 2018) includes land use, land-use change and forestry. Top panel: historical GHG emissions up to 2016 (with authors’ own estimates for years between the last inventory data year and 2016) and scenario emissions pathways up to 2030, alongside the NDC target emissions range (indicative target level for 2030). Emissions reduction target trajectories from individual actors’ commitments and initiatives’ goals are assumed to be achieved linearly from the latest historical data year and are presented here for illustrative purposes. Bottom-left panel: the breakdown of potential GHG emissions reductions from individual subnational and non-state actor commitments in 2030 by actor group. Bottom-right panel: the breakdown of potential GHG emissions reductions from ICIs in 2030 by sector. The results for “Current national policies plus initiatives’ goals” scenario do not include the potential emissions reductions from Science Based Targets, RE100 and Collaborative Climate Action Across the Air Transport World (CAATW); they are only quantified at a global level.

ABOUT THIS FACT SHEET

The **Global Climate Action from Cities, Regions, and Businesses** country fact sheet series takes a close look at the potential impact of subnational and non-state climate change mitigation action for ten high-emitting economies.

In each fact sheet, we: (1) provide general information on the country's greenhouse (GHG) emissions and its energy and climate policies (the country context); (2) describe the interactions between the national government and subnational and non-state actors on climate action; (3) identify and map the type of GHG emissions reduction commitments made individually by cities, regions and companies within that country, as well as the actors making them; and (4) quantify the potential GHG emissions reduction impact that city, region and company commitments, as well as those of international cooperative initiatives (ICIs), could have on that country's emissions trajectory. The analytical steps follow those described in an earlier 2018 report (Data-Driven Yale, NewClimate Institute and PBL, 2018) and adopts the methodological recommendations made in Hsu et al. (2019). Detailed descriptions of this can be found in the main report and its Technical Annexes I and II, all of which can be downloaded from the NewClimate Institute website (<https://newclimate.org/publications>). A full list of references can also be found in the main report (Section 5).

Regarding the emissions data presented in this section, total national GHG emissions include land use, land use change and forestry (LULUCF) unless otherwise stated. The historical GHG emissions data are plotted up to 2016; for a number of UNFCCC non-Annex I countries, the values between the last inventory year and 2016 were estimated based on current policies scenario projections by NewClimate Institute, PBL and IIASA (Kuramochi et al., 2018). All GHG emissions figures presented are aggregated with 100-year global warming potential (GWP) values of the IPCC Fourth Assessment Report. For the NDC target emission levels, we used LULUCF sector emission levels projected under the current policies scenario when a country's NDC: (i) excludes LULUCF emissions, (ii) is not clear about the LULUCF accounting or (iii) considers LULUCF credits. For these countries, the NDC target emission levels may not match the official values reported by the national governments.

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