



Pursuing a low-carbon growth agenda in Indonesia

Seminar on OECD report for the G20 “Investing in
Climate, Investing in Growth”

held as part of the Voyage to Indonesia seminar on urbanization organised by the Ministry of
Finance of Indonesia

Shangri-La Hotel, Jakarta, 20 December 2017, 8:30-12:00

DRAFT PROGRAMME

Background

The OECD has undertaken a major project for the German G20 presidency on growth and investment opportunities arising from the transition to a low-emission, climate-resilient economy. The resulting report, [*“Investing in Climate, Investing in Growth”*](#), commissioned by the German Federal Ministry for Environment, Nature Conservation, Building and Nuclear Safety (BMUB), was launched at the Petersberg Climate Dialogue in Berlin in May 2017. The report provides an analysis of how climate goals can be achieved while simultaneously spurring economic growth, competitiveness and well-being. Its key message is that combining strong climate action with fiscal and structural reforms will boost growth in both the short and long term. The relevance of this work was recognised by an explicit reference in the G20 Leaders’ Declaration issued on the occasion of the G20 summit in Hamburg, Germany on 7/8 July 2017.

The seminar aims at a discussion on the key findings of the report “Investing in Climate, Investing in Growth” and the way forward in the Indonesian context. Addressing how Indonesia’s growth agenda might effectively take into account the country’s low-carbon transition objectives will be the central focus of the workshop. The event seeks to bring together representatives from the government, academia and business, to solicit their views and inputs on the discussion of the opportunities and challenges Indonesia is facing in its transition to the low-carbon economy.

Agenda

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| 8:30 – 9:00 | Registration |
| 9:00 – 9:05 | Welcome remarks by Dr Suahasil Nazara, Chairman of the Fiscal Policy Agency, Ministry of Finance of Indonesia (tbc) |
| 9:05 – 9:10 | Welcome remarks by Masamichi Kono, Deputy Secretary-General of the OECD |

9:10-9:55

Session 1: OECD report *Investing in Climate, Investing in Growth*

The session will focus on key findings of the report which show how the dual benefit of economic growth and avoided future climate damages can be achieved, if governments ignite an ambitious transition towards low-carbon economies by combining country-appropriate growth-enhancing policies with well-aligned policy packages for mobilising investment in low-carbon infrastructure and technologies.

This session will provide an overview of the key findings of the *Investing in Climate, Investing in Growth* report and discuss its relevance for policymakers and stakeholders in Indonesia.

- Key note speech on key findings of the report *Investing in Climate, Investing in Growth* by **OECD Deputy Secretary-General Kono**

Panel discussion, moderated by Sarah Finke, Special Advisor, OECD Environment Directorate:

- Remarks by **Indonesian Government/business representatives and experts:**
 - Parjiono Ciptowidarto, Director of Center for Climate Finance and Multilateral Policy, Ministry of Finance of Indonesia
 - Laksmi Dhewanty, Senior Advisor to the Minister, Ministry of Environment and Forestry of Indonesia
 - Shinta Widjaja Kamdani, Vice Chairman of Kadin Indonesia for International Relations

Questions for discussion

- How do the key messages of the report resonate with the specific policy and economic context of Indonesia?
- What are the main challenges and opportunities in achieving a low-carbon, climate-resilient development pathway in Indonesia?
- To what extent can pro-growth policies be aligned with and compensate for the cost of climate mitigation policies?

Q&A with the audience



9:55-10:45

Session 2: Investing in the right type of infrastructure for Indonesia's low-carbon development pathway

Investment in modern, smart and clean infrastructure in the next decade is a critical factor for sustainable economic growth, especially as infrastructure generally has suffered from chronic underinvestment since before the financial crisis. The report estimates that USD 6.3 trillion of investment in infrastructure is required annually on average between 2016 and 2030 to meet development needs globally. An additional USD 0.6 trillion a year over the same period will make these investments climate compatible, a relatively small increase considering the short and longterm gains in terms of growth, productivity and well-being. The additional investment cost is likely to be offset over time by fuel savings resulting from low-emission technologies and infrastructure.

Current economic conditions afford many governments the opportunity to invest in the right infrastructure now to reignite growth at the same time as paving the way to achieve the Paris Agreement outcomes. The session will explore the challenges and opportunities faced by Indonesia in pursuing a low-carbon development pathway.

Panel discussion:

- Introduction and moderation by **Mr Bernardus Djonoputro - Country Head of the Infrastructure & Capital Projects in Indonesia, PT Deloitte Konsultan Indonesia**
- Presentation by **Geraldine Ang, Policy Analyst on Green Finance and Investment, OECD, on low-carbon infrastructure investment**
- Remarks by **Indonesian Government representatives and business representatives, including:**
 - Bambang Prihartono, Head of Jabodetabek Transportation Management Agency, Ministry of Transportation of Indonesia (tbc)
 - Darwin Trisna Djajawinata, Director of Project Development and Advisory, PT Sarana Multi Infrastruktur
 - Oepoyo Prakoso, Director for Sustainability of PT Holcim Indonesia

Q&A with the audience

Questions for discussion

- What are key policy barriers in Indonesia to investment in green infrastructure, including in renewable energy, energy efficiency and public transport, and policy priorities to strengthen Indonesia's domestic enabling conditions?
- What are the key barriers faced by green infrastructure project developers in mobilising finance from institutional investors, both local and international?

10:45-11:00

Break



MINISTRY OF FINANCE
REPUBLIC OF INDONESIA



11:00 – 11:45 Session 3: Urban Transition

This session will explore the effects of rapid urbanisation in Indonesia and the main opportunities and challenges this presents for Indonesia's low-carbon transition, including in the delivery of clean and efficient access to electricity, transport services, water supply and affordable housing in Indonesian cities.

Panel discussion:

- Introduction and moderation by **Geraldine Ang, Policy Analyst on Green Finance and Investment, OECD**
- Remarks by **Indonesian Government representatives and international experts**, including:
 - o Rido Matari Ichwan, Head of Regional Infrastructure Development Agency, Ministry of Public Works and Housing
 - o Muhammad Nanang Prayudyanto, Senior Urban Transport Specialist

Questions for discussion

- Do Indonesian cities have in place the capacity and structures to access and mobilise financing in support of the greening of their urban development?
- What innovative and good practice examples can be shared from the experience of Indonesian cities in greening their energy, transport and water systems?
- o Which transport policies and regulations are most suitable to limiting local air pollution and achieving other co-benefits such as reduced traffic congestion, within an Indonesian context?

Q&A with the audience

11:45-12:00 Closing remarks by:

- **Dr. Parjiono Ciptowidarto, Director for Climate Finance and Multilateral Policy Centre, Ministry of Finance of Indonesia**
- **Masamichi Kono, Deputy Secretary-General of the OECD**

12:00-13:00 Lunch