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AGENDA FOR GREEN ECONOMY IN INDONESIA

POLICY INITIATIVE, CITIZEN ASSEMBLY,
AND INTERNATIONAL COOPERATION

The Committee for Inter-Parliamentary Cooperation
The House of Representatives of the Republic of Indonesia
January 2022



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Climate change represents an urgent and potentially irreversible threat to human societies and the planet.



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AND INTERNATIONAL COOPERATION**

This white paper is published through a partnership and cooperation with different stakeholders. The Committee for Inter-Parliamentary Cooperation extends its great appreciation to the hard work and contributions of all partners.

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- ADB** Asian Development Bank
- AIPA** ASEAN Inter-Parliamentary Assembly
- ASEAN** Association of South-East Asian Nations
- Bappenas** Badan Perencanaan Pembangunan Nasional
- BAU** Business As Usual
- COP** Conference of Parties
- COVID-19** Coronavirus Disease 2019
- CPO** Crude Palm Oil
- DAS** Daerah Aliran Sungai
- G20** Group of 20
- GCF** Green Climate Fund
- GDP** Gross Domestic Product
- GHG** Green House Gas
- ILO** International Labour Organization
- INDC** Intended Nationally Determined Contribution
- IPU** Inter Parliamentary Union
- LCCD** Low Carbon City Development
- LCDI** Low Carbon Development Indonesia (institution)
- LCDI** Low Carbon Development Initiative (program)
- LTS** Long Term Strategy
- LTS-LCRR** Long Term Strategy for Low Carbon and Climate Resiliency
- Musrenbang** Musyawarah Perencanaan Pembangunan

- NDC** Nationally Determined Contribution
- NRE** New and Renewable Energy
- OECD** Organization for Economic and Co-operation Development
- PAGE** Partnership for Action on Green Economy
- PES** Payment for Environmental Services
- REDD** Reducing Emission from Deforestation and forest Degradation
- RKP** Rencana Kerja Pemerintah
- ROI** Return of Investment
- RPJMN** Rencana Pembangunan Jangka Menengah Nasional
- RPJPN** Rencana Pembangunan Jangka Panjang Nasional
- SDGs** Sustainable Development Goals
- SEEA** System of Environmental Economic Accounting
- Tupoksi** Tugas Pokok dan Fungsi
- UNDP** UN Development Programme
- UNEP** UN Environment Program
- UNFCCC** UN Framework Convention on Climate Change
- UNIDO** United Nations Industrial Development Organization
- UNITAR** United Nations Institute for Training and Research
- VNR** Voluntary National Review
- WPFS** World Parliamentary Forum on Sustainable Development



CLIMATE CHANGE is the greatest threat to the global community. Persistent drought, frequent storms, rising sea-level and extreme weather patterns are reversing economic growth, posing climate-sensitive health risks, and most of all threatening the survival of people and animals on the planet. In 2015, as a global effort to strengthen global response to climate change, as well as significantly reduce the risks and impact of climate change, countries were agreed to become parties to the Paris Agreement. The Agreement charted a new course in global climate action and brought countries together under a single vision of combating climate change and mitigating its adverse impact.

In the beginning of 2020, COVID-19 shakes our world beyond limits. Different scenarios on how the pandemic will end have been played out. Various strategies on containing the virus have been implemented. In such a short timeline, the pandemic has taught us more than we can learn in a decade or so.

As economies are trying to bounce back, there is a growing recognition that new measures beyond GDP are needed. The pandemic made us rethink the growth-centric economic paradigm, which has inspired existing national and international economic policies. We have learned the fallacy of treating the economy as supreme and

growth is everything. What the world needs now is a transition to an economic model that is more sustainable, inclusive, and equitable. A green growth that the United Nations Environmental Programme (UNEP) has defined as growth that focuses on human well-being and social equity, while significantly reducing the environmental risks and ecological scarcities. A people-centred approach to economic growth as it has been emphasised by the 2030 Sustainable Development Goals. However, even long before the pandemic, we have realised that our economic activities must be diverted toward conserving rather than exhausting our planet's natural resources. Growth is infinite, while resources have limits.

The transition into policies that put forward well-being over economic growth will not be easy. The concept of a green economy is often overlooked. Even within the internal parliament, the concern on nature and environment tends to be fragmented into specialised committees rather than reflected in the whole parliament. Breaking this silo approach and embedding the green economy into long-term policy objectives shall be our common objectives.

Pandemic gave us an opportunity to build forward better by moving beyond GDP and recognizing nature for its value. In measuring the economy, maybe it is the time to rethink the letter G in GDP. We need to replace the word Growth with Green. Governments are needed to shift their public policies toward alignment of the environment and economy. In Indonesia, for example, the Government of Indonesia has set on their policy agenda the balance between maintaining economic growth, meeting the greenhouse gas emissions reduction target, and enhancing sustainable use of natural resources. The Government of Indonesia has also set the target to achieve Net Zero by 2060. It is a well-noted development, albeit ten years longer than the global ambition of 2050. Parliament, then, in the position to oversee the



Government commitments, particularly commitment related to the Paris Agreement. The involvement of parliament will also enhance the democratic legitimacy of the issues of climate, nature and environment at the national level, while at the same time strengthen the representative and deliberative capacities of parliament.

Climate change represents an urgent and potentially irreversible threat to human societies and the planet. Efforts on addressing climate change require the widest possible cooperation by all countries, and their participation in the effective and appropriate international responses. As the Committee with the mandate to pursue friendship and cooperation with other national parliaments, as well as international cooperation, we see it as part of our responsibility to mainstream the issue of climate change in the parliament.

Upon those consciences and moved by aspiration to pursue the constitutional mandate to oversee our government policies on transforming the economy in the most environmentally sustainable way, we put forward the initiative for the White Paper on Green Economy Agenda in Indonesia. The White Paper is a product of our engagement with the Westminster Foundation for Development (WFD). We held several Focus Group Discussions on the green economy with academia, think tank organisations, civil societies and the general public. As the pandemic has limited our opportunity for face-to-face interaction, we turned to the computer screen and held a series of webinars on environmental democracy. Apart from being a documented testimony of our committee's work, we hope this White Paper could serve as a living document that captures the essence of the green economy from a parliamentary perspective. It offers several recommendations on recalibrating the policies and the institutions. In short, the key message is on setting the right interventions and the right institutions.

In preparing the White Paper, we have many people to thank. Most of all, we have to thank all the Members of the Committee for Inter Parliamentary Cooperation. Their active participation during the focus group discussions on the issue of green economy and environmental democracy had enriched this White Paper. It also gave us significant insights on this issue from different House Commissions perspectives. Members of the Committee were also sharing their views on this issue based on unique experiences in their constituencies.

The wheel is in motion, and we intend to carry forward this issue in the working agenda of the Committee for Inter-Parliamentary Cooperation. We will commit to our mandate by encouraging international collaboration, holding all nations to ambitious commitments based on the principles of equity, common but differentiated responsibilities and respective capabilities. This Working Paper is only a beginning. We see it as part of our constructive dialogue with other stakeholders and the general public, and we hope it will enrich the public discourse on the issue of green economy.

Chairperson dan Vice Chairpersons of the Committee for Inter Parliamentary Cooperation – The House of Representatives of the Republic of Indonesia





AGENDA FOR GREEN ECONOMY IN INDONESIA

Policy Initiative, Citizen Assembly, and
International Cooperation

IN 2015 INDONESIA RECONFIRMED its commitment to contribute to the global initiatives for keeping the rise of earth temperature below 2 degrees Celsius above pre-industrial level. As a member of the Paris Agreement on Climate Change, Indonesia pledges to take efforts to reduce carbon emissions by 29% in the 2030 and, with international support, to reduce it by 41%. The commitment was formalized in the Nationally Determined Contributions (NDC) report proposed by Indonesia. In July 2021, Indonesia has submitted two documents: the Updated NDC and Long-Term Strategies for Low Carbon and Climate Resilience 2050 (LTS-LCCR 2050). The two documents reflect the enhanced commitment and the adoption of the recently established Paris Agreement Rules Book (Katowice Package) to ensure effective and efficient implementation of the Agreement.

As one of the world's major emerging economies and emitters of greenhouse gas emissions (GHG), in order to achieve its ambitious climate commitment, Indonesia needs to reconsider its development pathway and adopt a greener approach. The focus on the green

economy is reasonable for various reasons. *The first reason* is that economic activities – production, consumption, distribution, and others – have contributed to climate change the most. Indonesia's economic activities, particularly the land use and the energy sectors, have been contributed significantly to the carbon emissions in the region and global. Therefore, making economic activities conscious of nature conservation and its rejuvenation would be a global and collective agenda. *Second*, making a green economy is argued will become a new productive investment for future economies. Fossil-based economies are responsible for emitting carbon and changing the climate but these economies will become more costly in the future. In short, the green economy would be the best investment for the people, nature, and the future.

Several policy agendas on the green economy have been proposed, developed, and aspired in Indonesia. The first is the Carbon Policy simulated by Badan Perencanaan Pembangunan Nasional (BAPPENAS) or the National Development Planning Agency and supported by the Ministry of Finance. This agenda is a comparative scenario simulation in costs and benefits of shifting the existing policies (status-quo green economic policy) to green economic policy. The benefits of transforming the economy to the green path would be providing future jobs, reducing costs, and sustaining nature. Other benefits of the green economy policy are the reduction of poverty, equality, and natural disaster caused by climate changes. The costs of continuing the use of fossil-based carbon economy, among others, are trapping the economic potentials of future jobs, increasing costs of production, consumption, and distribution (in the long run), and depriving the sustainability of nature. Other implications of keeping the fossil-based economy are the increased poverty, inequality, and natural disaster caused by climate changes.



Indonesia does not need to start from the beginning to develop a green economy agenda but to realign the existing initiatives and develop harnessing efforts to make the initiatives grounded in people's supports and implementable in state developmental functions. To achieve this objective, three proposals have been developed.

The first proposal reviews and details the possibility of designing policies, particularly in the energy and land use areas, in accord with the general idea of green economy agenda for Indonesia. Like the Low Carbon techniques, the proposal of the transformation toward green energy and land use policy is also grounded on analysis of the existing data and future projection of various scenarios. Three scenarios were proposed based on the targets of Indonesia's contribution commitments for reducing carbon-emissions: 24 % by 2040, 41% by 2040 with the international supports, and the status-quo (no changing toward low carbon economy). These proposals become the basis for developing several policy recommendations, such as supporting forest moratorium and transition to clean sustainable energies.

The second proposal reviews and analyzes the institutional structures supporting the green economy agendas in Indonesia. The analysis finds that governance is challenging to coordinate and manage transition to a greener economy. In Indonesia, the main issue is to elevate the authority and provide it with relevant powers to manage, coordinate, and shape the direction of the change.

The third proposal is related to the concern of continuing the green economy agenda. There is a possibility of discontinuation or at least reduction in commitment for supporting climate change. This vulnerability is vividly shown in reports mentioning that the changing of regime and leaders in Indonesia would affect the sustainability of the commitment. Newly elected leaders may select priorities unrelated to the green economy, create policies that do not provide

enough financial and organizational supports, or redesign fragmented governance structures and diluted coordination.

The proposed agenda will seek to answer how to ensure the change of leadership and regime will not jeopardize the effort to fight climate change through green economy policy. The idea is elevating the green economy policy into middle-term and short-term planning and policy commitments. There are innovative proposals to ground the green economy agenda in the middle term and long-term policy planning. The success of adopting these agendas would transcend the short-term political dynamics shaped by public opinion and balance political power at the state level.

Transitioning to a green economy can only succeed with full support from all elements of society. In enabling new visions of green economy as green resiliency and green transformation, the multitude of the public should be seriously embedded to voice the collective interests, represent the nature and future, and deliberate in the name of the "public." Members of parliament may enhance the legitimacy of decision-making related to the green economy through deliberative democracy process in the form of citizen assembly.

The executive branches of governments across the globe will need full supports from their parliaments in terms of required national policies through the enactments of legislation and appropriations of



Members of parliament may enhance the legitimacy of decision-making related to the green economy through deliberative democracy process in the form of citizen assembly.



budgets. To ensure the governments are on track with implementations of legislations and budgets, the parliaments also need to exercise strong oversight on how the governments across sectors achieve the green economy objectives. Therefore, parliaments need effective working methods and committee structures that ensure effective coordination and optimal coherence of national policies, laws, and regulations. In doing so, parliaments and parliamentarians need to work closely and secure full supports of the people, including civil societies, various interest groups, and private sectors.

Climate change is an issue that requires international cooperation and coordinated actions. In terms of international cooperation, there are three interconnected roles of the parliament. The first role is on building knowledge, capacities, and experiences on developing green economy policy as part of a long-term strategy. International cooperation should also be focused on sharing experiences among countries to design and implement agenda of making governance functions for the green economy as long-term agenda in Indonesia. The second role is on engaging national stakeholders and international communities to share experiences and technologies to create and enable citizen assembly that can contribute to the deliberative democracy practices on issues of green economy. The third role is related to supporting international cooperation on financing to fight climate change and seeking innovative supports for climate actions. The Committee for Inter-Parliamentary Cooperation as the Standing Committee within the Indonesian House of Representatives with the mandate for parliamentary diplomacy, therefore, may take initiatives to weave the parliamentary cooperation and international support on this matter



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Introduction

IN 2015, Indonesia submitted Intended Nationally Determined Contributions (INDC) as part of climate pledges to the UN Framework Convention on Climate Change (UNFCCC). The INDC includes reducing GHG emissions unconditionally by 29 percent under a 2030 business-as-usual (BAU) scenario. With international assistance for finance, technology transfer, and capacity building, the GHG emissions reduction is targeted to up to 41 percent.¹ After signing and ratifying the Paris Agreement in 2016, Indonesia submitted its first nationally determined contribution and reiterated its commitment to a low-carbon and climate resilient future. To support the commitment, the enabling condition must be in place to achieve climate resilience, economic resilience, social and livelihood resilience, and ecosystem

¹ Badan Kerja Sama Antar Parlemen (BKSAP), Dewan Perwakilan Rakyat Republik Indonesia (DPR RI), "Balancing the Economy and Environment in the Struggle of Post COVID-19 Recovery: Promoting System of Environmental Economic Accounting in Financial Oversight of the Parliament," (Presentation, Focused Group Discussion (FGD) BKSAP DPR RI, Bogor, Jawa Barat, 2-3 February 2021).

and landscape resilience. In 2017, the Government of Indonesia declared its goal to integrate climate action into the national development agenda. The integration will explicitly incorporate the GHG emission target into the policy planning while preserving and restoring natural resources.² In July 2021, Indonesia has submitted two documents, the Updated NDC and Long-Term Strategies for Low Carbon and Climate Resilience 2050 (LTS-LCCR 2050).

These policy choices are strategic and should be supported. This White Paper identifies the need to develop strategic agendas that combine the new understanding of the green economy, set new innovative processes, and calibrate the agenda to respond to challenges. Challenges identified in this white paper manifest in the emergence of the COVID-19 Pandemic, the mainstreaming of the green policy inside the state institutions, and the development of the subjects (national, local, and international).

To build new understanding and innovative processes and at the same time respond to the challenges, this White Paper will be divided into seven parts. The first part is an introduction that presents a background of the paper, exemplifies the objectives of the initiatives, and outlines the report. This element provides the foundations and objective reasons for the following discussions.

The second part elaborates the core policies and the main processes to support the agendas of the Green Economy Policy in Indonesia. In particular, this paper will present the idea of the Low Carbon Development of Indonesia. The paper will assess the development of this initiative from its creation and examine varieties

2 Arief Sabdo Yuwono, "Assessing the Progress of Indonesian Climate NDCs and Green Growth Agenda," (Presentation, FGD on Balancing the Economy and Environment in the Struggle of Post COVID-19 Recovery: Promoting System of Environmental Economic Accounting in Financial Oversight of the Parliament, BKSAP DPR RI, Bogor, Jawa Barat, 2-3 February 2021).



of regulations, processes, and other relevant supporting innovations. It will also briefly identify several structural and institutional challenges.

The third part is a discussion and analysis of the situations surrounding and contextualizing the challenges and developments of the green economy agenda. The existence of political economic and institutional situations affecting the development of the green economy agenda will be assessed. In particular, the shift of political priorities, the challenges of governance, and shortages in long-term green visioning. This part of the paper considers and explores the impacts of the COVID-19 Pandemic on the commitments and priorities of the green economy agenda in Indonesia. It will assess the availability and strength of Indonesian government responses on green stimulus. Several national and international assessments on the development of LCDI policy during and post COVID-19 Pandemic will be presented and discussed.

The fourth part of the White Paper discusses the strategic roles of realigning the pre-COVID-19 Pandemic policy with the green economy, which is significant for the saliency of the economy, the sustainability of the environment, and the future possibilities of jobs. In other words, the objectives of the green economy agenda should bridge the existing economic situations with the future visioning. Agendas should focus on assessing the current situations and set the green economic agenda based on the existing situations. This green resiliency agenda would enable Indonesia's diverse population to adapt and prepare. Therefore, the costs of the disappearance of jobs and the technology and financial gap could be minimized. The green economy agenda should also emphasize adaptation from existing policies and initiatives to green resilience.

At the same time, the agenda's focus should also be toward green transformation. The aspirations to green transformation agenda

are clearly stated in the Low Carbon Development Initiative (LCDI) proposed and managed by the Indonesian Bappenas. Parliament could recalibrate the LCDI initiatives by harnessing the regulatory framework of supporting LCDI, strengthening the financial supports, and conducting the governmental oversights to reprioritize the green transformation initiatives.

With visioning of green economy as both green growth and green resiliency as well as green transformation, the proposed green economy agenda should be able to bridges the current economic situations and the future ones. At the same time, the agenda would respond to challenges and new dynamics through proposing new policy initiatives, reconstituting public engagement through citizen assembly), and recalibrating international cooperation. These agendas will be elaborated in detail in this part of the White Paper.



With visioning of green economy as both green growth and green resiliency as well as green transformation, the proposed green economy agenda should be able to bridges the current economic situations and the future ones.

The policy initiative agenda proposed is to strengthen the green economy's legal, institutional and political standings. The Indonesian parliament could propose creating a long-term strategy of green economy policy. By putting the legal foundations on the twenty or twenty-five years plan, the agenda of a green economy would be guaranteed as a longer commitment. At the same time, the governance responsible for implementing this long-term agenda should be insulated by short-term politics and interests. This kind of



agenda requires recalibrating rules, policies, and supports to enable long-term visioning. The new visions of a green economy as green growth, green resiliency, and green transformation could be seriously mainstreamed in state policies.

The fifth part of the paper focuses on developing citizen assembly to mainstream the green economy in Indonesia. The agenda is to create the subjects representing the diverse population of Indonesia in which the subjects will inform and work closely with the policymakers (particularly the parliament). To be effective, this kind of mini public will engage with various neutral and most relevant information and knowledge on the green economy in concept and in Indonesia. The design would be structured to enable members of the citizen assembly to engage and deliberate effectively and democratically about various elements of a green economy. The assembly design should enable them to also upscale their inputs and point of view to various institutions and relevant authorities on the green economy and the general public through mass media.

This kind of agenda requires meaningful public engagement and deliberative processes by selected and well-informed public for developing and supporting the green economy agenda. Public aspirations at all levels should be seriously taken into account to voice collective interests, represent the nature and future, and deliberate in the name of the “public” to enable new visions of the green economy as green growth and green resiliency as well as green transformation.

The sixth part of the paper is about the agenda of harnessing international cooperation. In this part three interconnected roles of supporting international cooperation can be presented. The first role is on building knowledge, capacities, and experiences on developing green economy policy as part of the long-term strategy. International cooperation should also be focused on sharing experiences among

countries to design and implement agenda of making governance functions for the long-term agenda of a green economy in Indonesia. The second role is the need to engage national stakeholders and international communities to share experiences and technologies on creating and enabling the citizen assembly to contribute to the deliberative democracy practices on issues of green economy. The third role is related to supporting the international cooperation on financing climate change and seeking innovative resource and funding supports for climate action. Parliament and other government actors should be more active in searching public and private cooperation to support the long-term programs of Indonesia's green economy. As further elaborated in this paper, the new visions of green economy as green growth, green resilience and green transformation require significant resources and investments from inside the countries or international cooperation.

The seventh part of the White Paper will summarize the strategic agendas that the Indonesian government can implement in responding to the challenges in building and implementing the green economy policy. The summary will also reflect on how Green Economy Policy embeds the development as a long process (often more than two generations); on how to put equal priority on nature (as well as human); and on how to build cooperation (local community, national, and international). Finally, the White Paper summarizes the need to develop strategic agendas combining the new understanding of the green economy, setting new innovative processes, and calibrating the agendas to respond to challenges.



Green Economy Policy and its Agendas



THE SIGNIFICANCE of the green economy agenda for responding the climate change is rooted in the nature of green economy where “all production and consumption have a direct impact on the environment in terms of pollution, waste and resource depletion, which in turn affects human well-being and exacts an economic-costs.”³ This comprehensive understanding is supported by elements of green economy as elaborated by IPU and UNEP’s *Shades of Green* report including:

- Inclusive green economy;
- Ways and means to reduce, reuse, and recycle the economic outputs;
- Capital intensive investments in renewable energy and in the public goods that promote communal use;
- Equitable use of environmental resources;
- Economic policies and laws that spread productivity gains more equitably;

³ Inter-Parliamentary Union (IPU) and United Nations Environment Programme (UNEP), *Shades of Green: an Introduction to the Green Economy for Parliamentarians*, (IPU-UNEP, February 2019) <https://www.ipu.org/resources/publications/issue-briefs/2019-03/shades-green-introduction-green-economy-parliamentarians>.

- Fiscal policy reform to internalize the externalities and to shift producer and consumer behavior toward sustainability;
- A new system of environmental accounting as new indicator of sustainability and human well-being as alternatives to the GDP.

In practice, the aforementioned elements can be translated into policy agendas in which the political, economic, social interests, and dynamics are entangled. This makes the complexity of factors that affect the practices of grounding the foundations for green economy agendas as in Indonesia have been challenging.

Let us review how the salience of a green economy to sustain economic progress faced complexities and challenges. First, we see the need to enable the green economy to boost economic growth and, if needed, the overall economic transformation. Over the past two decades, Indonesia's economy has expanded strongly. Indonesia is on track to become an upper-middle-income country and already a member of the world's major economies, or the G20. Moving into the group of upper middle-income economies requires Indonesia to continue its growth at a rate of 5.6 percent in the 2020-2024 RPJMN (*Rencana Pembangunan Jangka Menengah Nasional* or National Mid-term Development Plan). If Indonesia continues sustaining this growth rate until 2045, per capita GDP is expected to yield nearly US\$ 14,000. Hence, by 2045, Indonesia will be in the group of high-income economies.⁴ The growth has been characterized by a structural transformation in which resources are mobilized away from traditional and primary activities into industrial and tertiary sectors. However, for the foreign revenue, a major portion of income is still coming in

4 Bappenas RI, *Low Carbon Development: A Paradigm Shift toward a Green Economy in Indonesia: Full Report*, (Bappenas, 2019), <https://drive.bappenas.go.id/owncloud/index.php/s/ZgL7fHeVguMi8rG#pdfviewer>.



from the primary activities. Coal and CPO remain the most significant contributors. In 2019, ADB highlighted that structural transformation requires Indonesia to improve performance on the value-added economy and be more diversified.⁵

The transformation would be directed to change the basis economy from natural-based into a more sustainable and green type of economy. A growth that relies on the rapid expansion of natural resource-based industries, especially on mining, energy, agriculture, and forestry, is prone to disruption when there is depletion of natural resources or degradation of the environment. Aware of the risks, Indonesia realizes the great importance of sustainable development. Putting in place the right policies and interventions to support the green economy and secure financing are priorities of the Government of Indonesia for 2020-2024.

Indonesia's heavy reliance on natural resources and extractive industries means the degradation of environmental quality will significantly impact the economy. Indonesia is presently confronted by rapid forest degradation. Between 1999-2017, the average rate of deforestation reached 1 million hectares per year.⁶⁶ The Ministry of Environment and Forestry also released a report on this matter.⁷

5 Bappenas RI, *Voluntary National Reviews (VNR): Empowering People and Ensuring Inclusiveness and Equality*, (Bappenas, 2019), https://sustainabledevelopment.un.org/content/documents/23803INDONESIA_Final_Cetak_VNR_2019_Indonesia_Rev2.pdf.

6 ⁶ *Ibid.*

7 Recent report by the Ministry of Environment and Forestry shows a more positive development in the area, in which Indonesia recorded deforestation rate of 115,000 hectares for 2019-2020, the lowest forest lost in two decades. Indonesia's timber legality scheme, SVLK, was also the first domestic timber legality in the world that considered sufficiently robust by the EU. Forest fires have been significantly decreased within the last 5 years. Report on the deforestation rate for 2019-2020 can be found in <https://geoportal.menlhk.go.id/~appgis/publikasi/Buku/Buku%20DEFORESTASI/Deforestasi%202019-2020.pdf>.

Many countries across the globe have indicated their commitments to move toward adopting a green economy because they are convinced that, when fully applied, its benefits for their citizens exceed its costs. The Green economy will bring about a more equitable social order than the conventional economy and contribute several other results to the people's lives, including a fulfilling lifestyle and a symbiotic relationship between people and nature. People need to ensure that the life-sustaining natural resources limitedly available on planet earth are not completely exhausted and degraded to ensure the next generations still have access to them.⁸ All countries, therefore, need to start shifting away from merely pursuing economic growth at all costs to transitioning toward an economic model with greater emphasis on human well-being, which is more sustainable, inclusive, and equitable.

Green economy requires that production and consumption occur within the planet's carrying capacity – the earth's capacity to generate its own resources and absorb the pollution and other environmental impacts of human activity. It seeks to drastically reduce waste and limit the resources and energy for consumption and production by developing new technologies and other innovative processes. Some common actions that can be found in countries adopting green economy, among others, are a) consistently finding ways and means to reduce, reuse, and recycle the economic outputs such as consumer and capital goods; b) increasing capital intensive investments in renewable energy (e.g., solar, wind, geothermal); c) increasing provision of communal use public goods (e.g., public transit); d) reforming policies to minimise the cost to the public and to better ensure equitable use of environmental resources (e.g., fuel

8 IPU and UNEP, *Shades of Green*.



efficiency rules for the auto industry; tax on electricity consumption beyond a certain level); e) enacting policies and laws to ensure productivity gains are shared more equitably (e.g., laws to protect workers' bargaining rights); f) reforming fiscal policies to internalize externalities (i.e., the actual environmental cost of all things produced), and others.

For those to happen, governments across the globe will need full supports from their Parliaments in terms of the required policies through legislation and budget appropriation. To ensure that the governments are on track in implementing the legislation and budgets, the parliaments also need to exercise strong oversight on how the governments across sectors are performing to achieve the green economy objectives. For all of these, Parliaments need to have effective working methods and committee structures that ensure effective coordination and optimal coherence of national policies, laws and regulations. In doing these, parliaments and parliamentarians need to work closely and secure full supports of the people, including civil societies, various interest groups, and private sectors. This is because a green economy can only succeed with the full support of all sectors of society.

Many countries face a lot of huge challenges in implementing the green economy. First, countries will need to shift their paradigm in investing in the green economy. For example, a huge investment upfront is needed in renewable energy and green infrastructure. This often presents a fundamental challenge for both markets and governments because they traditionally measure return on investments (ROI) on a short-term basis, whereas the ROI of green investment appears in a longer term. Factoring externalities using the system of economic accounting (SEEA) will help this paradigm shift. Another paradigm shift of adopting a green economy is concerned with employment.



The economic model will cause the loss of many jobs, particularly as the market adopts the new labour-saving technologies. However, the green economy will also generate whole new jobs in all sectors.

The economic model will cause the loss of many jobs, particularly as the market adopts the new labour-saving technologies. However, the green economy will also generate whole new jobs in all sectors (e.g., agriculture, energy, manufacturing, services, and waste management), which exceeds the employment under the conventional economy in the long run. Countries adopting green economy clearly face a dual challenge of maintaining a relatively low ecological footprint while continually achieving economic growth, which is still highly necessary because they have obligations to lift their people who are still living in absolute poverty and lacking basic human services as well as raising the living standards of their entire population. Even more complicated, most developing countries have limited financing capacity and relevant information, further preventing them from transitioning toward the green economy.



III.



Situational Dynamics

THE THIRD ELEMENT is a discussion and analysis of the situation surrounding and contextualizing the challenges and developments of the green economy agenda. The existence of political, economic, and institutional situations affecting the development of the green economy agenda will be assessed, particularly the shift of political priorities, the challenges of governance, and shortages in long-term green visioning. The third element of this paper assesses and explores the impacts of the COVID-19 pandemic on the commitments and priorities of the green economy agenda in Indonesia. Several national and international assessments on the development of Low Carbon Development Indonesia (LCDI) policy during and post COVID-19 pandemic will be presented and discussed.

The aforementioned aspirations and agenda recently faced existential challenges brought by the COVID-19. The global infection of COVID-19 causes multiple crises. The crises started as health

management crises, then evolved into financial and security crises, and ended as legitimacy crises. Indonesia strives to respond to these multiple crises by creating institutions, policies, economic stimulus, and daily management strategies. Critical analysis indicates the lacunae and implications of those responses.

This white paper evaluates the responses from three main concerns. The first concern is whether the responses shift and dilute the aforementioned commitments to building a green economy to reduce the adverse effects of climate change. Is the economic stimulus still in accord and in line with the green economy agenda? What are the changes, and with what implications? This paper's argument is based on the need to rejuvenate the commitment to green economy policies. The second concern is whether the existing governance and the shift to respond to crises diminish the institutional capacity to support the green economy agenda. Is the existing governance and institutional structures still in line with the green economy development and implementation agenda? How can institutional reform be designed and implemented democratically? Since the pandemic crises shift the authority mostly to the Executive, the next question that may arise will relate to the future of check-and-balances inside the state. What are the roles of society and media in the green economy agenda affected by crises when the state authority is strong? The third concern is related to supporting the agenda of green economy in Indonesia. Since the green economy agenda requires knowledge, skills, technologies, and significant financial and organizational supports, how does Indonesia strategically galvanize the supports? During and in the post-pandemic, the international resources are limited and reallocated. How the international commitment and supports could be weaved?

The situational analysis in this part of the paper refers to the existing relevant policies and regulations that have been enacted



and possibly affect the functioning of the green policy agenda. The first is the Law No. 11 of 2020 of Job Creation, also known as the Omnibus Law. The absence of meaningful public consultation during the drafting of the Omnibus Law is one of the criticisms. In its nature, policies related to the green growth economy represent a plurality of values and interests. Yet, the articles in the Omnibus Law which deal with land issues and permits in the environmental sector become matters that are often questioned.⁹ Moreover, it is often the environmental constituencies such as contemporary non-national, future generations, and non-human nature, are poorly represented in the deliberations and decisions of liberal democratic institutions.^{10,11} The principle of inclusive participation, transparency, and public reasoning hopefully will repair the impact of the Omnibus Law's legislative process that caused many controversies.¹²

The Omnibus Law was followed by the Presidential Regulation No. 109 of 2020 on the acceleration of national development projects signed in November 2020. Under this regulation, several development projects are listed in line with the National Medium-term Development Plan. The majority of those projects are utilizing

- 9 Andhika Yuli Rimbawan and Wafda Vivid Izziyana, 2020, "Omnibus Law Dan Dampaknya Pada Agraria Dan Lingkungan Hidup," *RECHTMATIG: Jurnal Hukum Tata Negara* 6 (2):19-28. <https://journalfh.unsa.com/index.php/rechtmatic/article/view/6>.
- 10 I.K.P. Erawan, "Making Green Growth Economy in Indonesia Legitimate: Citizen Assembly and Representative Institution," (presentation, webinar on Promoting Indonesia's Green Growth Initiatives: Enhancing Public Access to Information and Public Participation in the Parliamentary Legislative and Oversight Role, BKSAP DPR RI: Bandung, 2020).
- 11 Rini Astuti, 2019, "Keadilan Inter-generasi, Malapetaka Lingkungan, dan Pemuda di Era Antroposen," *Jurnal Studi Pemuda*, 8 (2): 167-173. <https://doi.org/10.22146/studipemudaugm.48576>.
- 12 Andi Lala, & Sudiharto, S., 2020, "Urgency of the Omnibus Law Bill," the *1st Proceeding International Conference and Call Paper: Omnibus Law Opportunities And Challenges Towards Entrepreneurs And Labor: Comparative Review*, 1(1): 77-84. <http://jurnal.unissula.ac.id/index.php/oloc/article/view/13425/5066>.

lands in a way that threatens the environment, such as the project on coal power plants.^{13,14} This contradicts the objective of adding more renewables to the energy mix and decreasing reliance on coal and imported petroleum.

The second regulation is the President's Decree No. 79 of 2014 on National Energy Policy that sets out the renewable energy target by 23 percent of the energy mix by 2025 and 31 percent by 2050. In order for the development of renewable energy to take off and meet the national energy mix target, robust national regulatory support is needed. In order to provide umbrella legislation for renewable energy, the House Commission VII currently deliberate the New and Renewable Energy (NRE) Bill. In that Bill, renewable energy sources are listed along with nuclear as a new energy source, with the use of nuclear energy must be strictly taken into account the security factor. The NRE Bill is expected to provide a policy booster and legal basis for developing renewable energy, which will lead to cost-effective technology and market share in the long term. However, there are economic constraints due to the fact that some of the NRE components have not been mass-produced nationally and their local

- 13 Grita Anindyarini Widyaningsih, 2020, "Urgensi Penerapan Pertimbangan Perlindungan Lingkungan Hidup dalam Perencanaan Ketenagalistrikan di Indonesia," *Jurnal Hukum Lingkungan Indonesia*, 6 (2): 159-183. <https://doi.org/10.38011/jhli.v6i2.157>. An example of the conversion of agricultural land functions is in the construction of the coal-power plant Batang in Central Java Province. This power plant is constructed on agricultural land and takes up about 226 hectares of productive rice fields.
- 14 Rahma Alifia Pramanik, Purnomo, E. P., & Kasiwi, A. N., 2020, "Dampak perizinan pembangunan PLTU Batang bagi kemajuan perekonomian masyarakat serta pada kerusakan lingkungan," *KINERJA*, 17 (2): 248-256. <https://journal.feb.unmul.ac.id/index.php/KINERJA/article/view/7422/1061>. Moreover, the plant's dredging waste affects natural conditions and causes damage to the coastal ecosystem, thereby disrupting local fishermen's livelihoods. Another environmental problem is air pollution in the surrounding environment because the power plant uses coal as its primary electricity generator.



contents are still minimal.¹⁵ Those two factors currently hinder the competitiveness of renewable energy in Indonesia.

Another challenge for Indonesia's effort toward green development is related to the handling of pollutant sources. Based on the 2019 Voluntary National Review on SDGs, the handling of domestic waste is still below the RPJMN target, only amounting to 84.73% of the 16.7 million tons/year target, with waste reduction only amounting to 31.1% of the 4.5 million tons/year target.^{16,17} The condition has resulted in not only environmental degradation but also disruption to marine life. If the Indonesian government does not solve this chronic problem progressively and comprehensively, there is a possibility that by 2050 the ratio between plastic and fish will reach 1: 1.¹⁸

Despite challenges in promoting more decisive and firmer climate actions, Indonesia is gradually putting an agenda for the

- 15 Faisal, 2021, "Urgensi Pengaturan Pengembangan Energi Terbarukan Sebagai Wujud Mendukung Ketahanan Energi Nasional," *Ensiklopedia Sosial Review*, 3 (1): 18-24. <http://jurnal.ensiklopediaku.org/ojs-2.4.8-3/index.php/sosial/article/view/675/606>. Thus, NRE development are quite expensive and imply high initial investment costs. Moreover, the selling price of RE electricity generation rates to the public is still high compared to fossil energy such as petroleum, diesel and coal.
- 16 Bappenas RI, VNR 2019. Indonesia also confronts a challenge from the high level of marine pollution. In 2019, plastic waste in the sea adds up to around 1.29 million tons/year. Most of this marine plastic waste is the result of human activities, where an average of 20% of plastic waste dumped on land will find its way into the waters, be it rivers or oceans. This 20% figure can increase sharply in Indonesia considering that Indonesia is a land-oriented maritime country that has a larger number of rivers, lakes, seas and oceans than any other country in the world.
- 17 Irawati Puteri, Aliya, R., & Muhammad, S. A., 2018, "Penerapan *Plastic Deposit Refund System* sebagai Instrumen Penanggulangan Pencemaran Limbah Plastik di Wilayah Perairan Indonesia," *Jurnal Hukum Lingkungan Indonesia*, 4 (2): 129-150. <https://doi.org/10.38011/jhli.v4i2.64>.
- 18 Ellen MacArthur Foundation, *The New Plastics Economy: Rethinking the future of plastics & catalysing action*, (2017). <https://ellenmacarthurfoundation.org/the-new-plastics-economy-rethinking-the-future-of-plastics-and-catalysing>.

green economy. President Joko Widodo also provided a green leadership through its political commitment that by 2022, the National Development Policy should move towards a green economy, as stated in his opening remarks during the 2021 Consultation on National Planning and Development. He also encouraged the use of the best available technology for development. The transition to new and renewable energy, therefore, is inevitable. In his remarks, the President mentioned that Indonesia should strengthen its green economy, green technology, and green products if the country wants to succeed at the global level.¹⁹

Several mechanisms²⁰ to support and promote the green economy have also been established, including climate-related actions. Through Presidential Regulation No 46 of 2017, Indonesia established a mechanism for payment for environmental services (PES) to encourage more people to restore the environment.

Indonesia also published Green Sukuk (a sharia bond) and successfully gained investors for Retail Green Sukuk. The capital gained from the retail green Sukuk itself in 2020 has reached around IDR 5.4 trillion from 16,992 investors.²¹ The Government will use the green Sukuk to finance green projects across the country. President

19 Bappenas RI, "Musyawarah Perencanaan Pembangunan Nasional 2021," Youtube Video, 3:48:35, 4 May, 2021, https://www.youtube.com/watch?v=CD68E9QT_Lk&t=1859s.

20 All initiatives listed here are non-exhaustive. Indonesia already established the Environmental Fund Management Agency (Badan Pengelola Dana Lingkungan Hidup/BPDLH), the Indonesia Climate Change Trust Fund (ICCTF), and SDG Indonesia One under the state-owned company of PT Sarana Multi Infrastruktur management. These three entities were established as a medium of financing both from domestic and multilateral partners/donors. In the case of BPDLH, it also collects fines from environmental offenders. All with specific tasks and targets.

21 Abdul Malik. 'Penerbitan di 2020 sukses, SBN Ritel masih akan diminati tahun depan,' *Bareksa*. Jakarta. 2020. <https://www.bareksa.com/berita/sbn/2020-12-02/penerbitan-di-2020-sukses-sbn-ritel-masih-akan-diminati-investor-tahun-depan> (accessed 17 May 2021).



In addition to his announcement, the President also stated that until 2024 Indonesia is rehabilitating 620,000 hectares of mangrove forest, the largest globally, with carbon absorption reaching fourfold higher than tropical forests.

Joko Widodo, during his Leaders' Summit on Climate 2021, announced that Indonesia would develop a Green Industrial Park covering an area of 12,500 hectares in North Kalimantan Province.²² The industrial park, which will become the largest in the world, is expected to harvest electricity from the hydropower of Kayan River.

In addition to his announcement, the President also stated that until 2024 Indonesia is rehabilitating 620,000 hectares of mangrove forest, the largest globally, with carbon absorption reaching fourfold higher than tropical forests. The Government is currently preparing a carbon pricing regulation to develop a future domestic carbon market and a new feed-in tariff regulation for new and renewable energy expected to invite investors to the sectors. The Government also plans to implement carbon tax/custom for every emission produced by entities.

22 More on Presiden Jokowi's remarks <https://setkab.go.id/en/remarks-of-president-of-the-republic-of-indonesia-on-leaders-summit-on-climate-thursday-22-april-2021-from-bogor-presidential-palace-west-java-province/>



The Indonesian parliament could propose creating a long-term strategy of green economy policy.



IV.

Policy Agenda: Realigning Green Economy Policy

THE FOURTH PART OF THE WHITE PAPER is about the agenda of making policy initiatives that profoundly sustain Indonesian commitments to contribute to reducing the effects of climate change. The policy initiatives agenda proposed is on the urgency to strengthen the green economy's legal, institutional and political standings. The Indonesian parliament could propose creating a long-term strategy of green economy policy. By putting the legal foundations on the twenty or twenty-five-year plan period, the green economy agenda would not be affected significantly by short-term politics and its dynamics. At the same time, the governance responsible to implement this long-term agenda should be elevated into a long-term Indonesian commitment. The governance should have a direct responsibility to the Executive or/ and the Legislative. This kind of agenda requires recalibration of rules, policies, and supports to enable long-term visioning. The new visions of a green economy as green resiliency and green transformation now could be seriously embedded and mainstreamed into the state and policy.

The green economy policy requires a new vision (imagination) of ensuring the harmonization of various objectives: the welfare of people, inter-generational equality, and environmental sustainability. Green economic policy embeds the development processes that require a longer period (often more than two generations) of implementation, respect the existence of beyond human needs (nature), and necessitate collective ownerships and cooperation (national, local, community engagement, and beyond nation-state).

This part of the White Paper will be divided into five elements. The first element reflects the Indonesian main visioning of the essence of green economy policy. In this element, the conceptualization of the green economy that Indonesia possibly adopts would be clarified, and the political and economic consequences would be assessed by learning from global comparative experiences. The second element will utilize the visioning to support the realignment of the existing Low Carbon Development Initiative (LCDI). The third element recalibrates Indonesian policies across sectors to support the green economy agenda in Indonesia. The fourth element reviews the governance structure supporting the green economy agenda and proposes suggestions. Finally, the last element summarizes the elaboration and delineates the policy agenda's main ideas.

Revisioning Green Economy Policy

The green economy policy aims to promote growth, equalize development, and sustain the environment. However, these aims are often in conflict with one another. The emphasis of each of these goals makes different conceptualization and visioning of the green economy. Following research and argument made by Carl Death, there are at least four conceptions of the green economy: green



resilience, green growth, green transformation, and green revolution. The differences in the four visioning of the green economy are rooted and manifested in differences in terms of governable activity, the form of knowledge, governing technique, and actors and subjectivities.

Table 1. Conceptualization of Green Economy²³

Elements	Conceptualizations of Green Economy			
	Green Resilience	Green Growth	Green Transformation	Green Revolution
Governable Activity	Crisis and Adaptation	Environmental Market	Ecology, Technology, and Market	Nature and Growth Limits
Form of Knowledge	Development Discipline: crop science, water and sanitation engineering, social psychology and price monitoring for food markets	neoclassical economics Carbon trading	Keynesian strategies of public investments and fiscal stimulus	Deep Ecology and Indigenous Knowledge: de-growth, steady-state economics or prosperity without growth

23 Carl Death, 2015, "Four discourses of the Green Economy in the Global South," *Third World Quarterly*, 36: 12, 2207-2224, DOI: 10.1080/01436597.2015.1068110.

Elements	Conceptualizations of Green Economy			
	Green Resilience	Green Growth	Green Transformation	Green Revolution
Governing Technique	Technocratic Intervention & Empowered Communities	Green technologies and investments	Transforming state for the structure of economy and environmental sustainability	Toward a transformative State for ecology
Actors & Subjectivities	Sectors Local Government Communities	Entrepreneurs and Entrepreneurial State	Entrepreneurs and Technological State	deep ecologists, eco-socialists, eco-feminists, indigenous peoples
Example Countries	Ethiopia Malawi	China India	South Korea South Africa	Costa Rica Bolivia

In formulating his typology, Carl Death analyses various statements and documents made by countries in the global south in the Nationally Determined Contributions or NDCs reports. He further elaborates that the discourses on green economy policies shape the political consequences, establishing various of green states.

Indonesian vision on green economy reflected in its various development policies indicating a combination of various aforementioned logics. For example, publications made by Bappenas on *Low*



Carbon Development Initiative and recently *A Green Economy for a Net-Zero Future* bring visioning of green economy as green growth, green resilience, and green transformation.

Indonesia first adopts the green resilience view for the green economy since it emphasizes capacity preparation to respond to climate and economic crisis impacts. Indonesia also develops various strategies of adaptation. Shared knowledges and used discourses are derived from development disciplines, such as crop science, water and sanitation engineering, and price monitoring for food markets. The governance techniques are utilized mostly in the forms of technocratic intervention and community empowerment. The targets of subjects supporting this view of green economy are sectoral ministries, local government, and local community.

Indonesia also states its commitment to shifting its development paradigm toward a green economy. A close examination from the LCDI document shows that the Indonesian development paradigm is still strongly grounded by a green growth visioning of the green economy. The governable activity uses market logic to the environment. The form of knowledge utilized follows the neo-classical economic logic. Various LCDI simulation elements use market concepts such as carbon trading, externality internalization, carbon cap taxes, and fuel taxes. Governance techniques is based on the polluter paying and commoditizing environment. The political consequences will be the emergence of an entrepreneurial state.

Finally, Indonesia also aspires to transform the economy into a green economy. The green transformation intends to sustain humans, nature, and the future through the transformation of technology, mode of governing, and industrial focus. Shared knowledge and used discourses are Keynesian strategies of public investments and fiscal stimulus. The governance techniques utilized mostly in the forms

of new technologies and new managerial. The targets of subjects supporting this view of the green economy are sectoral technological companies, the sectoral technology part of the government, and the local community.

As argued by Carl Death, countries have tendencies to adopt multiple views and understanding of green economy.²⁴ Indonesia also follows this tendency: adopting green growth and green resilience, and at the same time aspiring to green transformation.

**Table 2 Development Paradigm Continuity and Shifts:
Indonesian Choices**

Focus of the Development Shift	Scope of the Development Change	
	Continuity	Change
Human	GREEN GROWTH	GREEN TRANSFORMATION
Nature and Future	GREEN RESILIENCE	GREEN REVOLUTION

It combines objectives to serve humans and nature and navigates the balance of continuity and change. The question is: can all good things come together? This paper reviews the possibility of realigning green economic policy in Indonesia.

²⁴ Compare with Carl Death, *The Green State in Africa*, (New Haven and London: Yale University Press, 2016).



Realigning Green Economy Policy

The White Paper of the Indonesian Parliament on Green Economy Policy was stimulated by public concerns on primarily whether Indonesia has developed a vision of transforming its economy to invest for the future while responding to the costs of climate change. As projected in many research transforming the current economy into a green economy will provide jobs, well-being, and sustainability. Keeping the existing economy for the future would cost Indonesia to decrease growth, dependency, and vulnerability to climate disasters. In short, the inability to transform the economy would trap Indonesia from progressing. This White Paper strongly believes in the urgency to design and implement a consolidated green economy policy supported by strong political will at the highest level.

The White Paper sees the need to realign Green Economic Policy to fulfill the public mandate from the people, considering the interests of the future generation and nature, and fulfilling commitments to contribute in responding to global planet change agreements and initiatives. Indonesia does not need to start from the beginning to develop green economy agenda; Indonesia only needs to realign the existing initiatives and develop harnessing efforts to make the existing initiatives grounded in people supports and implementable in state developmental functions. A policy which is the most potential to be developed and supported further is Low Carbon Development Initiative (LCDI). It was developed by Bappenas with the support of the state and societal institutions. LCDI has developed three scenarios of transforming the Indonesian economy policy into a green economy policy.

First is the scenario of status-quo which Indonesia continues its existing economic activities and policy grounded mostly in fossil fuel-

derived energy and lack of sensitivity to land use for sustainability. The LCDI predicts Indonesia will pay the costs in terms of the declining economy, inequality, and environmental degradation in the future.

The second is the transformation scenario into a green economy agenda with more modest targets. The LCDI explores and provides an elaboration of the benefits reaped and the costs in the future would be avoided. Two central sectoral policies focus mainly on the contribution to carbon emissions: energy and land-use policies.²⁵ The transformation of the energy sector and land-use policies are the most essential for the benefit of public welfares domestically and for reducing the negative impact of climate change globally.

The third scenario is more optimistic than before in terms of its scenario and the target. The LCDI explores and provides an elaboration of the benefits reaped and the future costs we can avoid if the target of reduction in carbon emissions is elevated. The third scenario is developed with the main assumption of the international engagements and supports. International supports are needed to enable significant transformation for the energy and land-use policies. International support is also needed in terms of new knowledge and innovative technology to green the energy sectors and land-

25 Important reports and analysis have been developed and shared by Hanny Chrysolite et. al, *Looking Past the Horizon: The Case for Indonesia's Long-Term Strategy for Climate Action*, WRI Working Paper (WRI, 2020). The authors stated that "The priority for Indonesia's LTS is to evaluate and improve Indonesia's energy system and land use. For the energy system, thinking long-term could inform a power plant expansion strategy to reflect global trends and technology, avoid locking in high-cost infrastructure, and minimize potentially stranded assets. As for land use, an LTS could help improve the country's land use management approach and inform the extent to which Indonesia could continue to exploit lands. Consideration should be given to more ambitious protection of Indonesia's pristine forests and peatlands, which protect Indonesia from future economic losses associated with fires, build resilience to tomorrow's climate, and act as a low-cost and less technology-reliant climate change mitigation solution." More on this can be found at <https://www.wri.org/research/looking-past-horizon-case-indonesias-long-term-strategy-climate-action>.



use policies. The main considerations are domestically in harnessing public welfares and globally for reducing the negative impact of climate change through green economy policies.

As a foundation for policy transformation, LCDI has the most necessary potentials. However, as aforementioned and elaborated in the situational analysis above, policy transformation toward the future of the green economy could be halted and replaced by other short-term and more urgent focuses. It is important to be noted that the short-term political calculation and existing constellation dynamics in Indonesia tend to reduce the salience of long-term visioning.

This paper's argument is based on the problem of short-term visioning on the Indonesian economy and the saliency of long-term and sustainable reasoning. The need to focus on the green economy agenda is more demanding today than ever.

There is a need to review and reassess the Indonesian policy stimulus for economic recovery. It should be evaluated whether the economic stimulus responds to the crisis as well as rejuvenates discourses on economic transformation and future sustainability. Policymakers both Executives supported by Legislative should rejuvenate the agenda of economic recovery (economic stimulus) grounded in green economy policy stimulus and agenda. LCDI as a relatively elaborated design supported by the existing agenda for transformation on energy and land use transformation commitments could be a good starting point.

To harness the initiatives to realign the green economy policy, there is a need to elevate the support by designing and locating the supports in a longer time frame. The green economy policy could be elevated into the middle-range development plan (RPJM). With the longer time frame and stronger political will, the green economy policy as an agenda could be grounded on a much stronger

foundation. Therefore, shifts in political leadership and political constellations would not dilute and change the commitment of economic transformation toward the green economy agenda.

The salience to elevate the BAPPENAS' Indonesia Low Carbon policy initiative into a long-term vision is summarized succinctly in Chrysolite's (et al) report as follows:

"Indonesia's low-carbon RPJMN is potentially a good basis for a guide to a long-term vision for Indonesia. First, although BAPPENAS's current assessment is intended for RPJMN 2020–2024, it also provides long-term projections of main development indicators until the year 2045—a year inspired by the 100-year celebration of Indonesia's independence. Many observers predict that by 2045, Indonesia will have emerged as a developed country with a significant increase in its working-age population being felt in 2020–2035. BAPPENAS uses its system dynamics model to include these potential demographic dynamics in parallel with climate change impacts and natural resources constraints. Hence, the modelling projections will be inclusive of the economic, social, and environmental indicators and will consider long-term low-carbon and climate-resilient strategies in the country's broader context. The aim is not just to reduce emissions but also to guide Indonesia's sustainable development vision. Additionally, BAPPENAS's low-carbon long-term assessment could be a good basis on which to initiate an LTS document, as it is already linked to Indonesia's ongoing planning process (RPJMN 2020–2024) and potentially to the Long-Term National Development Plan (RPJPN) to 2045. BAPPENAS is responsible for developing and enhancing RPJMN every five years and RPJPN for a 20-year period. The RPJMN is then translated into a government work plan



(rencana kerja pemerintah; RKP) each year and is referenced by subnational development plans. Consequently, BAPPENAS has a responsibility to ensure that the low-carbon plans within RPJMN will be reflected in sectoral line ministries' planning as well as by subnational ministries. The BAPPENAS long-term model is supplemented with an investment model to estimate the amount of money that must be mobilized from public and private sectors to realize the transition to a low-carbon economy in Indonesia. With these current modalities, the model could be an inter-sectoral integration platform, providing planning tools for policymakers to understand the interrelationships between programs, opportunities, actions, and strategies for an integrated sustainable development planning process."

Recalibrating Sectoral Policies

Policy initiatives to realign the economic agenda toward green economy policy transformation require public support and state commitment. The state commitment would take the form of innovative policies and effective governance structures. As it has been mentioned, Indonesia does not need to start from the beginning to develop a green economy agenda but to realign the existing initiatives and develop harnessing efforts. This is with a view to make them grounded in people supports and implementable in state developmental functions. First, the Government must enact numerous regulations for different measures. The Indonesian House of Representatives can cut short those regulations by integrating all relevant measures, incentives, and disincentives into legislation. For example, bills on (1) Green Economy and (2) Climate Change Mitigation and Adaptation that upon their adoption can serve two-

fold: leveling up the regulation into a more binding national policy and integrating measures for easy codification. A regulation level up also means that the country sends a stronger political message to address any concern.

As the trend of integrating sustainable development in the national policy context is rising, a forward-looking mind-set is crucial to protect the interest of many and the unborn generations. By integrating the principles of sustainable development and embedding the principle of the Brundtland Report, development in the present shall be conducted in a manner that does not compromise the ability of future generations to meet their needs. Therefore, the Indonesian House of Representatives should provide a comprehensive cost-risk benefit analysis as a counter-analysis on any Government's planned and implementation measures. Two areas that can be examples for such forward-looking measures are the provision of analysis regarding the future available green jobs and the prospect of societal changes towards them, and potential job loss if a rush green transition is being exercised.

Second, several innovations could be proposed by the Indonesian House of Representatives in terms of budgeting and policymaking roles to the green economy agenda. The Indonesian House of Representatives, by constitutional, has a crucial role in budgeting. However, environmental aspects and or green economy assessment can sometimes be left behind during the budgetary process. Vivid Economics Greenness Stimulus Index mentions that Indonesia is still far behind others in providing a green stimulus during the COVID-19 pandemic. It is time, after a swift check and balance provided by the Parliament in 2020, due to emergency recovery measures, the Indonesian House can enact budget scrutiny in more detail and direct green perspectives into the future budget. Such effort is justifiable



as President Jokowi already mentioned the need to move towards a green economy by 2022.

The Indonesian House of Representatives is currently tabling the new and renewable bill. The bill aimed to answer the national legal basis for new and renewable energy expansion in Indonesia. The bill covers inter-alia mechanisms to support the economy of new and renewable energy to increase their expansion, tariff mechanism for renewable power generations, and the creation of renewable energy fund. However, concerns are raised upon the need to promote new energy and clean energy, the need to have support for community-based initiatives in renewable power generations, risk mitigation in the transition of fossil energy into new and renewable energy, among many others.²⁶

Reconstituting Policy Governance

The existing environmental governance as the basis for green economic policy has been viewed as both ineffective and fragmented. It is ineffective since the authority to handle and coordinate issues as complex and salience as the environment (for example, climate change) is in the hand of structure without enabling capacity to coordinate and make strategic policies and able to coordinate relevant ministers to implement them. The existing authority at the level of director-

26 Openparliament, "Rekomendasi Penyusunan RUU EBT," Openparliament.id, accessed 25 December 2021, <https://openparliament.id/2020/11/16/rekomendasi-terhadap-penyusunan-ruu-energi-baru-dan-terbarukan/>; Sugiharto Purnama, "RUU EBT dinilai hanya mengakomodir kepentingan bisnis pengusaha," *Antara*, 8 March, 2021, <https://www.antaraneews.com/berita/2031503/ruu-ebt-dinilai-hanya-mengakomodir-kepentingan-bisnis-pengusaha>; CNBC, "Inovasi RI Mengembangkan Energi Terbarukan," *cnbcindonesia.com*, accessed 25 December 2021, <https://www.cnbcindonesia.com/news/20210426092306-8-240767/inovasi-ri-mengembangkan-energi-baru-terbarukan>.

general would be insufficient. Governance to provide institutional and structural support to transformation of environment matters in Indonesia should be at the coordinating minister or specially created institutions directly reporting to the President. Governance to provide institutional and structural support to transformation of environment matters in Indonesia should be at the coordinating minister or special created institutions directly reporting to the President.

There are three reasons for the need to restructure and elevate the governance structure to manage transformation through green economic policy agenda. First, to support the LCDI policies of transformation, various actors inside the Indonesian state should be coordinated and required to support. For detailing and harnessing LCDI policy agenda and plan, the coordination should be made between the ministry in charge of planning (Ministry of Planning or Bappenas), the ministry in charge of the environment (Ministry of Forestry and Environment), the ministry responsible for finance (Ministry of Finance), and the relevant coordinating ministers.²⁷

Secondly, the coordination also involves more specified sectoral structures. As discussed above, the two main proponents of the green policy transformation in Indonesia are the energy sectors and land-

27 Compare this with Chrysolite, *Looking Past the Horizon* (WRI Working Paper, 2020) on: "In reality, the MoEF (KLHK) often finds challenges to acting as the sponsoring ministry for climate change and in securing cooperation from other ministries. The ministry's lack of legal mandate (Tupoksi) as a coordinating ministry for any line ministries has created some overlapping jurisdictions and ambiguities that may affect the effectiveness of implementation. For example, any effort to integrate mitigation actions into the national development planning—including leveraging the national development plan consultations process (musyawarah perencanaan pembangunan or Musrenbang) at various administrative units, from the smallest unit of villages to the national level—fall under the jurisdiction of BAPPENAS, a separate ministry over which the MoEF has no jurisdiction. Authority to give direction and the monitoring of programs to local governments is held by the Ministry of Home Affairs. The MoEF's relations with other sectoral ministries, such as the Ministry of Energy and Mineral Resources, are also strictly horizontal."



use sectors. Each of these sectors is under different authorities and possible policy networks. Energy sectors, for example, would be under the authority of the ministry of energy, the ministry of public works, and in many cases, the jurisdiction of the coordination ministry of investment. When they involve and implement the policy at the region and locality, they should coordinate with the ministry of internal affairs and local governments. To respond to the social implications of the projects and initiatives, the environmental governance (including the green economy) works closely with the ministry of social affairs.

While land-use sectors would be under the authority of the ministry for forestry and environment, ministry for land affairs, ministry of public works, and in many cases, the jurisdiction of the coordination ministry of investment. Since lands and forests exist in certain jurisdictions, they should coordinate with the ministry of internal affairs and local governments. To respond to the social implications of the projects and initiatives, the environmental governance (including the green economy) work closely with the ministry of social affairs.

Thirdly, green economic policy, energy policy, and land use policy would significantly affecting the general welfare or more precisely commonweal. Commonweal refers to “the general welfare of the public, as well as the institutional, political, cultural, material domains through which that common welfare is pursued.”²⁸ Since both the general welfare of the public and processes to condition this affected by the policies, the public in general should be consulted, engaged, and become the subject of the processes. This part would be elaborated in detail in the following part of the paper.

28 John F. McCarthy and Caron Warren, “Communities, Environments and Local Governance in Reform Era Indonesia,” in *Community, Environment and Local Governance in Indonesia: Locating the Commonweal*, ed Carol Warren and John F. McCarthy (London and New York: Routledge, 2009).

Political representatives through the parliament are responsible for supporting and inspiring the processes of green economy transformation in Indonesia. Parliament contributes to setting the policy agenda and realigning the agenda to green economic policy supported by energy and land-use policies. Parliament could propose harnessing the saliency of the green economy transformation by elevating the policy into a middle range development agenda and coordinating efforts to mainstream the agenda, which supported by the regional and local governments. Through their budgeting and oversight functions, parliament could bring support in prioritizing the transformation to green economic agenda in Indonesia in the near future. Further, as discussed in the last part of the white paper, parliament could weave international supports and cooperation with international partners in terms of knowledge, governance, financial and skill supports for the implementation of the green economy agenda in Indonesia.

Summary

This fourth part of the White Paper is divided into five elements. The first element reflects the Indonesian main visioning of the essence of green economy policy. In this element, the conceptualization of a green economy possibly adopted by Indonesia would be clarified and political-economic consequences would be assessed learning from global comparative experiences. The second element will utilize this visioning to support the realignment of the existing Low Carbon Development Initiative. The third element recalibrates Indonesian policies across sectors to support the green economy agenda in Indonesia. The fourth element reviews the governance structure supporting the green economy agenda and propose suggestions. The



last element of this part summarizes the elaboration and delineate the policy agenda's main ideas.

This part of the paper argues on the urgency to design and implement consolidated green economic policy supported by strong political will at the highest level. It argues on the need to realign the Green Economy Policy to fulfil its public mandate from the people – possibly also considering the interests of the future generation and nature while fulfilling its commitments to contribute to response to global planet change agreements and initiatives. Indonesia does not need to start from the beginning to develop green economic agenda but to realign the existing initiatives and develop harnessing efforts to make them grounded in people supports and implementable in state developmental functions.



This part of the paper argues on the urgency to design and implement consolidated green economic policy supported by strong political will at the highest level.

Governance to provide institutional and structural support to transformation of environment matters in Indonesia should be at the coordinating minister or specially created institutions directly reporting to the President. There are three reasons for the need to restructure and elevate the governance structure to manage transformation through green economic policy agenda. First, in order to support the LCDI policies of transformation, various actors inside Indonesian state should be coordinated and required to support.

Secondly, the coordination also involves more specified sectoral structures. As discussed above, two main proponents of the green policy transformation in Indonesia are the energy sectors and land use sectors. Thirdly, green economic policy, energy policy, and land-use policy would significantly affecting the general welfare or more precisely commonwealth.

Since both the general welfare of the public and processes to condition this affected by the policies, the public in general should be consulted, engaged, and become the subject of the processes. This part would be elaborated in detail in the next part. Political representatives through the parliament have responsibility to support and inspire the processes of green economy transformation in Indonesia.



Institutional Agenda: Constituting Citizen Assembly



THE FIFTH PART OF the White Paper focuses on developing citizen assembly for a green economy agenda in Indonesia. This agenda is aimed to create the subjects representing the diversity of the population of Indonesia to work closely and in communication with the policymakers, particularly the Parliament. To be effective, this kind of mini public is expected to engage with the most relevant and neutral information and knowledge on the green economy in Indonesia and abroad. The design of the mini public would be structured to enable members of the citizen assembly to engage and deliberate effectively and democratically about various elements of the green economy. The assembly design should also enable them to upscale their inputs and point of view on the green economy to various related institutions and authorities as well as with the general public through mass media.

This agenda requires recalibration of rules, policies, and supports to provide a long-term visioning and meaningful public engagement and deliberative processes with the selective and well-informed public. To enable the new vision of green economy as green resiliency and green transformation, the multitude of publics should be seriously embedded to voice the collective interests, represent the nature and future, and deliberate in the name of the “public.”

The following question is how to make commitment and initiative supported by various stakeholders relevant to green economy policy and transformation process in Indonesia, both at the level of state and society. In other word, how the agenda of green economy can be institutionally supported, legally valid, and at the same time popularly legitimate?

The following part of the paper elaborates and delves on the possibility of designing and implementing citizen assembly for the green economy in Indonesia. Further elaboration on the citizen assembly is needed since the green economy is not just related to the new knowledge that combines economy, ecology, and technology. The green economy also needs a forum to deliberate, which relatively has the conditions of learning, dialogue, and sharing. Ideally, this kind of citizen forum is relatively free from power encroachment and short-term interest group pressures. Furthermore, the public forum should also represent a variety of Indonesian publics and empower them to deliberate as equal citizens. The forum should provide conditions of treating participants as equals.

Citizen assembly normatively and historically is not foreign in Indonesia. It is already available in the various grassroots and local institutions that engage public participation such as *sangkep krama adat* or *sangkep karma banjar* (the deliberation among custom community or hamlet members) in Bali; *rembug desa* or village deliberation in Java, and other deliberations in local community across Indonesia. In some localities, the deliberative institutions are grounded in the *adat* or village custom regulations, such as *awig-awig adat* in Bali. These public institutions and forums have been proven effective in managing various village and locality affairs.

In many literatures and research on critical deliberative democracy, those existing local political-economic constellations are



pervaded by the power of inequality, domination, and often exclusion. To provide the conditions close to deliberative ideals – equal, freedom, and participatory – there is an urgency to develop an innovative citizen forum in the form of mini public. A relevant form of mini public explores in this report is citizen assembly.²⁹

Citizen assembly as a form of mini public is relatively more suitable for understanding and deliberating issues and matters as complex and intricate as the green economy, climate change, and comparable entities. Ecological issues related to the green economy require ability to synergize the interests of human, nature, and future. At the same time, ecological issues often produce externalities (pollution, climate change, transmitted zoonotic diseases, and others) crossing the territorial limits of nation state. The spheres of the green economy agenda that affect people locally, nationally, regionally, and globally are multi-scalars.

The following part of the report will provide an overview of citizen assembly and its possibility of being an institutional agenda for the green economy in Indonesia. It also assesses the strengths and limitations to enable the voice and interest of non-human (nature and future) to be strongly considered.

Citizen Assembly and Nature Advocacy

Citizen assembly as part of mini public is argued theoretically and practically to support and represent innovations in the democratic institutions, particularly deliberative democracy.

Deliberative democracy is defended to be sensitive to the multiplicity of interests and required long term visioning of

29 There are at least three different forms of mini public according to Graham Smith: stakeholder forum, referendum and citizen polls, and citizen assembly.

environmental affairs. Deliberative democracy provides an avenue to enable a variety of voices and interests to be heard, respected, and treated equally significant in the deliberation. According to Smith, citizen assembly translates the values and conditions for deliberative democracy. Smith argues that having a deliberative democracy on environment issue will benefit the environment itself. He said "theories of deliberative democracy... promise institutions that promote democratic deliberation (inclusive and reasoned political dialogue) which will be sensitive to the plurality of environmental values, and which will promote political judgment that takes into consideration different perspectives on the non-human world."³⁰

The promotion of reasoned political judgment by the participants in a citizen assembly is another strength of this form of mini-public. The reasoned political judgment is required for advocating the plurality of environmental values and interests of various constituencies, including contemporary non-national, the future generation, and non-human nature (Eckersley, 1996, and Dobson, 2014).

Citizen assembly becomes a form of institutional innovation in nature advocacy. Nature advocacy, according to Eckersley, is "a creative task that involves making present, introducing otherwise bringing into public view particular ecological concerns, values, being, entities, and interest that the advocate believes have been unfairly marginalized, 'misrecognized' and 'misrepresented' in political discourse and practice." (Eckersley 1996: 236). Citizen assembly could be functional in enabling the participants to learn specialized and additional knowledge from experts, researchers, and practitioners about the green economy, climate change, political ecology, and others. At the same time, citizen assembly could be a forum to contextualize the

30 Graham Smith, *Deliberative Democracy and the Environment* (London and New York: Routledge, 2009)



character of nature as transboundary, long term effects, and multi-scalar affecting factors.³¹

The creation of citizen assembly will harness the roles of the state representative institution in shaping the green economy agenda by creating conducive contexts for citizen deliberation within:

- “which the plurality of environmental values and the perspectives of the non-human world can be voiced and considered in the political processes; and
- “which the conflict between environmental (and other) values can be appreciated, and solution to complex environmental problems sought.”

Designing Citizen Assembly

The challenges now are on how to design citizen assembly to support the green economy agenda in Indonesia and at the same time to mainstream the knowledge, debates, and implications of climate change for Indonesia. In particular, the design should balance the need of fulfil human interests while sensitive to the sustainability of the nature and the future. According to O'Neill (2001: 496):

“In the absence of authorization, accountability, and presence (of nature), the remaining source of legitimacy to claim to speak in such cases is epistemic. Those who claim to speak on behalf of those without voice do so appeal to having knowledge of the objective interests of those groups, often combined with special care for them (refers to natural scientists, biologists, and ecologists as legitimate of nature). The design of citizen assembly should be able to interact with this epistemic community

31 *Ibid.*

and its deliberation informed by knowledge derived from this epistemic community.”³²

The design of citizen assembly should also provide avenues for knowledge derived from community, practitioners, and environmental advocates. Their knowledge and experiences provide rich historical and contextual elaboration of the practices. Eckersley argues that:

“Authority to represent nature might also derive from traditional, local or vernacular knowledge (such as indigenous peoples or local communities) or other forms of knowledge or moral capital, for example, in particular, environmental NGOs or environmental advocates (with history of campaigning, reputation, and cultural practices).”³³

Since the green economy agenda would be a public agenda for Indonesia, the requirement of deliberative exchanges to form a reasoned judgment and mutual understanding is a must. Citizen assembly could be a public laboratory in the form of mini public to test a variety of reasoned judgments. Its deliberative outputs and processes could also become inputs and inspiration for public deliberation in the public sphere.

Features of the citizen assembly which are shared by other forms of mini-public according to Smith are:³⁴

- a cross-section of the population is brought together for three to four days to discuss issues of public concern;

32 John O'Neill, 2021, “Representing People, Representing Nature, Representing the World,” *Environment and Planning C: Government and Policy* Vol: 19, pages: 483-500.

33 Robyn Eckersley, *The Green State: Rethinking Democracy and Sovereignty*, (Cambridge Massachusetts and London, England: The MIT Press, 2004).

34 Graham Smith, *Deliberative Democracy and the Environment*.



- citizens are exposed to a variety of information and listen to a wide range of views from witnesses whom they are able to cross-examine;
- fairness of proceedings is entrusted to an independent facilitating organization

1. Developing participant selection processes

Several stages should be developed and followed to design the citizen assembly in Indonesia. The first stage is designing the criteria of participant selection. To represent the diversity of the public, small size of citizens needs to be selected using stratified random sampling or other techniques to ensure that different demographic representation, at times attitudinal criteria, are fulfilled. The criteria of selection participants should enhance inclusion and consider the objectives of empowering and innovation.

Table 1. Virtues and Design Techniques of Citizen Assembly³⁵

	Virtues of Deliberative Democracy	Strategic Design of Citizen Assembly
1. Form of Participation	As an institution to enable participation to be informed and engaged under the conditions of fairness and equality	By making experts and references materials available and by making deliberative processes guide the forum

³⁵ The table is adapted and processed from Graham Smith, *Deliberative Democracy and the Environment*.

	Virtues of Deliberative Democracy	Strategic Design of Citizen Assembly
2. Form of Empowerment	Institution that creates and empower participants to respectfully exchange views, reflect, and generate collective outcomes justifiable to all	By providing opportunities to utilize various forms of “voices” such as narratives, storytelling, visualization, etc. and by facilitation and cross-learnings
3. Form of Innovations	Spark democratic innovations and outcomes <ul style="list-style-type: none"> – Manage polarization; – Promote empathy; – Address the problems of bias and prejudices; – New knowledge and framings 	By carefully insulate from political and private interests and by creating a space free from pressures of peer opinion and media framing

2. Creation of Facilitating Organization

The second stage of citizen assembly development is forming institution that facilitates organization. This organization will facilitate the development and functioning of the citizen assembly using the criteria of deliberative democracy, namely:³⁶

- *Inclusiveness*: are all voices heard? If not, how are they represented?

³⁶ Graham Smith, *Deliberative Democracy and the Environment*.



- *Unconstrained dialogue*: is deliberation defended against strategic action in the part of powerful interest? Are the conditions in place for the cultivation of judgement as an enlarged mentality?
- *A just decision*: what type of decision rule is in operation? Does this affect the nature of deliberations?
- *Sensitivity to environmental values and conditions*: can environmental values plurality be articulated? Are the deliberations and decisions sensitive to the environmental issues, scope, scale, and complexity?

To avoid bias, partisanship, and dependency, the independence of the facilitating organization is fundamental. This organization must be independently able to draw together a range of stakeholders to assist in selecting relevant questions, knowledge, and comparative experiences. The organization would have the responsibility to shape the deliberative processes inside the citizen assembly. For example, the citizen panel is gathered for preparatory weekends, during which they have the opportunity to be involved in the selection of expert witnesses and key questions.

3. Designing and Facilitating Deliberation

The third stage of citizen assembly development in Indonesia is designing and facilitating deliberation. To ground norms of participation and empowerment forum, citizen assembly should be sensitive and able to curb illegitimate power and generate productive power by linking them to the broader deliberative system.³⁷ Citizen

37 Nicole Curato, Marit Hammond, and John B Min, *Power in Deliberative Democracy: Norms, Forums, and Systems*, (New York, US: Palgrave Macmillan, 2019).

assembly should have the capacity to redistribute political power by equalizing opportunities to speak and be heard, addressing asymmetric knowledge, and curbing inequalities in political authority. The principle of inclusion should be expanded to the possible redistribution of voice and engaged “all affected constituencies” in the deliberative processes. Curato³⁸ et al summarize the techniques of developing citizen assembly as a strategic form of mini-public:

- “Following the logic of survey research and opinion polling, organizers of deliberative mini-public create a ‘microcosm’ of the public by demographically representing the general population (Fishkin 1995). Random sampling, in this case, is a tool for equality. Each citizen has an equal chance of getting picked to take part in deliberations regardless of the background conditions;
- The issue of inclusion goes deeper than securing a diverse composition of participants (Mercier and Landemore 2012). Not all groups in society can be equally reached, nor can all be invited to respond equally to an invitation. There are good reasons to use the logic of affirmative action by oversampling certain groups that have been at the edge of the public sphere (Ryan and Smith 2014; Smith 2009);
- Actively recruiting participants amongst vulnerable communities or providing incentives for low-income citizens to take part in a deliberative forum as ways inclusion takes on a deeper meaning.”

38 *Ibid.*



4. Evaluating the Design and Practice

The third stage of citizen assembly development in Indonesia is a process of evaluation, whether the design and deliberation of citizen assembly have achieved its objective. Since the agenda of creating citizen assembly as a form of mini-public is not a replacement of formal deliberative representative system or replacement of public sphere,³⁹ it should be evaluated from its deliberative capacities. In other words, it should serve as a bridge to the state representative institution. It also should meaningfully link considered views and deliberations of ordinary citizens to decision-makers.

Since mini-public enables exchanging and deliberating among more “informed” selected citizens, it could provide inputs to the system and public sphere in the form of informed judgment. Citizen assembly is not a shortcut to deliberative democracy. The political system and public sphere should become an arena where decision can be formulated and debated, therefore, citizen assembly could contribute and rejuvenate the deliberation at the state representative arena. In particular, citizen assembly should be examined in terms of its internal quality (whether the deliberation is inclusive, respectful, and justified).⁴⁰

In all cases we need to assess the achievement of the institution as shown in Tabel 2.

39 Therefore, these designs ought to be of interest whether the focus is on ‘collective ecological management’, in which deliberative institutions would complement the representative structures of the green state as explained by Barry in John Barry, *Rethinking Green Politics: Nature, Virtue and Progress* (Thousand Oaks, California: Sage Publication Ltd, 1999).

40 For the possibility of assessing the external quality see Curato et al., *power in deliberative democracy*. They review the possibilities of whether mini public would contribute to the quality of the deliberation at systemic level and public sphere.

Tabel 2

Criteria for Evaluating Deliberation	Detailed Assessments
Inclusiveness	<ul style="list-style-type: none"> • Forums aim to include a cross-section of the population through the use of sampling technique; • Equality of voice for those involved, then achieved through the setting of ground rules by the participants and attentive independent facilitators.
Unconstrained dialogue	<ul style="list-style-type: none"> • Deliberations are highly structured to protect against the insidious exercise of power; • The relatively small number of participants (which is a weakness in relation to inclusiveness) offers supportive context for the development of empathy towards the perspectives of other citizens with contrasting views; • The facilitators play important roles in cultivating conducive ethos for dialogue and judgement.
Decision rules	<ul style="list-style-type: none"> • Consensus conferences are just that – they seek to find areas of consensus among participants on controversial issues.
Plurality of environmental values	<ul style="list-style-type: none"> • There is evidence to suggest that deliberative democracy has been relatively sensitive to the perspectives of environmentalists. • There is evidence to suggest that deliberative Consensus conferences in particular, offer a context in which the complexity and interconnected of environmental policy might be creatively explored.



Summary

As previously mentioned, this paper focuses on developing citizen assembly for a green economy agenda in Indonesia. It is aimed to create subjects representing the diversity of population to work closely and in communication with the policymakers, particularly the Parliament. To be effective, this kind of mini public is expected to engage with the most relevant and neutral information and knowledge on green economy in Indonesia and abroad. The design of the mini public would be structured to enable members of the citizen assembly to engage and deliberate effectively and democratically about various elements of the green economy. The assembly should enable the members to be better engaged with the authorities and other stakeholders and provide ways for awareness advocacy to the general public. This agenda requires recalibration of rules, policies, and supports to provide a long-term visioning and meaningful public engagement and deliberative processes with the selective and well-informed public. To enable the new vision of green economy as green resiliency and green transformation, the multitude of publics should be seriously embedded to voice the collective interests, represent the nature and future, and deliberate in the name of the “public.”



To enable the new vision of green economy as green resiliency and green transformation, the multitude of publics should be seriously embedded to voice the collective interests, represent the nature and future, and deliberate in the name of the “public.”

The question is how to make the commitment and initiative can be supported by various stakeholders relevant to green economic policy and transformation process in Indonesia, both at the level of state and society. In other word, how the agenda of green economy can be institutionally supported, legally valid, and at the same time popularly legitimate?

Not only the issue of green economy requires more comprehensive new knowledge that combines economy, ecology, and technology, but it also needs a forum to deliberate which has the conditions of learning, dialogue, and sharing. Ideally, this kind of citizen forum should be relatively free from power encroachment and short-term interest group pressures. Furthermore, the public forum should represent variety of Indonesian publics and empower them to deliberate as equal citizens. Lastly, the forum should provide conditions of treating participants as equals.



VI.

Support System Agenda: Recalibrating International Cooperation

THE SIXTH PART OF the paper is about the agenda of harnessing the international cooperation. In this part, three interconnected roles of the parliament to support the international cooperation are presented. First role is on building knowledge, capacities, and experiences on developing green economy policy as part of long-term strategy. International cooperation should also be focused on sharing experiences among countries to design and implement agenda of making governance to function for green economy as long-term agenda in Indonesia. The second is the need to engage national stakeholders and international communities to share experiences and technologies of creating and enabling the citizen assembly to be developed and contributed to the deliberative democracy practices on issues of green economy. The third role is on gathering international support for them mean of implementation and resources to finance

for transformation to low carbon development and green economy. In this part, the parliament and government should be more active in searching resources to support long term programs of green economy in Indonesia. As further elaborated in this paper, the new visions of green economy as green resiliency and green transformation require vast resources from inside the country and international sources. This kind of agenda requires recalibrating rules, policies, and supports from the general public.

Cooperation to Support Green Economy Agenda

Indonesia's commitment contributions are reducing carbon emissions 24 % by 2040, 41% by 2040 with the international supports, and the status-quo (no changing toward low carbon economy). These proposals became bases for developing several policy agendas, such as supporting forest moratorium and transition to clean sustainable energies.

The scenario for reducing carbon emissions 41% by 2040 with the international supports is a more optimistic target. The LCCD explores and provides elaboration of the benefits reaped and the costs in the future would be avoided when the target of reduction in carbon emission are elevated. The third scenario is developed with main assumption of the international engagements and supports. The international supports are needed to enable significant transformation to the energy and land use policies. International supports would be needed both in term of new knowledge and innovative technology to greening the energy sectors and land use policies. The main considerations are both domestically in harnessing of public welfares and globally for reducing the climate change through green economy policies.



Furthering cooperation in particular is the most needed if Indonesia intends to fulfil the third scenario of LCCD which requires higher target achievement of carbon emissions. Not only the structures of economy should be transformed but also the state functioning would also be changed. Both of these required international and regional supports.

The international cooperation is needed in the form of state-to-state supports and also in the form of substantive supports on green economy policy derived from research by international think-tanks. For Indonesia, the support of OECD to share its review on the processes of fulfilling Climate Change target is important since it enable Indonesia to assess and reflects its strategies and steps to fulfil its commitments. Variety resources (research paper, reports, and analysis) produced by World Research Institutes on green economy policies in Indonesia provide knowledge, methodology and comparative policies for advancing green policy agenda in Indonesia. The reports and inspirations produced by UNEP, Westminster Foundation for Democracy, and International Parliamentary Union provide salience in elevating concern and in bringing policy learning for Indonesia's green policy agenda.

The aforementioned cooperation would be enriched by international communities' supports by engage to support effort in designing, implementing, and rejuvenating new governance structures that are more effective in supporting green economy policy agenda in Indonesia.

Cooperation in Developing Citizen Assembly

The following part of the paper elaborates and delves to the possibility of designing and implementing citizen assembly for green

economy in Indonesia. Not only the issues of green economy require more comprehensive new knowledge that combines economy, ecology, and technology, but it also needs a forum to deliberate which has the conditions of learning, dialogue, and sharing. Ideally, this kind of citizen forum is relatively free from power encroachment and short-term interest group pressures. Furthermore, the public forum should also represent variety of Indonesian publics. The forum should empower the public to deliberate as equal citizens. Finally, it should provide conditions of treating each participant as equal human being.

Cooperation in knowledge and network support

Transformation to green economy requires policy makers to have a balanced understanding between different aspects as well as interrelations among those aspects, which are crucial for developing and transitioning to green economy. It entails reframing of national policies around sustainability and put in place enabling condition for the implementation of those policies. In its effort, the policy makers or even the country as a whole could benefit from joining global network that provide holistic supports to countries on inclusive green economy. Take for instance the UN PAGE initiative, a joint collaboration between five United Nations agencies: the UN Environment Programme (UNEP), the International Labour Organization (ILO), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), and the United Nations Institute for Training and Research (UNITAR). This initiative has the mandates, expertise and networks to ensure policy coherence as well as holistic and integrated results. Indonesia's application to join PAGE was approved in July 2018 for the duration of four years. Among its roles, PAGE will continue to support the policy work at national level



as well as assisting local government and developing private sector engagement platform and incentives for private finance in supporting low carbon development.⁴¹

Parliament could also explore the possibility to form a parliamentary network on green economy to further parliamentary engagement on this issue. In forming the network, parliament could take lesson learned from similar parliamentary network on thematic issue such as the Global Organization of Parliamentarians Against Corruption (GOPAC) or the Parliamentary Network on the IMF and World Bank.

Financial Support

Means of implementation is the key to achieve the ambitious goal related to climate change. The availability of innovative and sustainable funding instruments is critical for advancing Indonesia's emissions reduction effort and supporting the long-term climate strategy beyond 2030. Hence, international cooperation should also guarantee accessibility to financial support for developing countries. Currently, Indonesia has funding agreement of \$1 billion for climate action with the Government of Norway. The funding agreement is intended to strengthen Indonesia's efforts to protect its forest. As a result of this agreement, the Government of Indonesia has issued a moratorium on new permits to clear primary forest and peatland, as well as strengthen the implementation of REDD+ under the Directorate General of Climate Change of the Ministry of Environment and Forestry. Another source of climate funding at global level is

41 PAGE, *Indonesia's Transition to A Green Economy: A Stocktaking Report*, Bappenas and PAGE (2019) *Indonesia's Transition to A Green Economy: A Stocktaking Report* (UNDP, 2019), https://www.un-page.org/files/public/indonesia_stocktaking_report_page_final.pdf.

the Green Climate Fund (GCF). It was founded in 2010 by the 194 countries who are Parties to the UNFCCC and providing financial support to fund green projects and programs, which can be designed and submitted to the GCF through domestic and international accredited entities.⁴² Realizing that it is insufficient to rely on national budget alone, Indonesia needs to seek for innovative ways to sustainably finance its climate change mitigation and adaptation goals. Several strategies have been adopted by the Government of Indonesia. First, integrating ecological fiscal transfer to reward investments in conservation or incentivize expansion of protected areas is one of the new initiatives in climate financing. Ecological fiscal transfer is also enabling integration of climate action into different activities across ministries. Hence, breaking down the silos between different government institutions. Second, the issuance of green sukuk. The Indonesia's green sukuk is the world first sovereign green bonds to finance low carbon and climate resilient projects across ministries. The green bonds has gained considerable attention from the global investors and Indonesia should maintain attractiveness of this financing option by setting clear mechanism and regulatory framework. Third, the blended finance. Through blended finance, the Government of Indonesia is trying to manage the perceived risks of investor by redistributing the risks between the public and private sectors, while implementing green projects.⁴³

⁴² Chrysolite et. al, *Looking Past the Horizon* (WRI Working Paper 2020).

⁴³ *Ibid.*



Cooperation in Climate Change (Parliamentary Networks)

1. Global Cooperation

Being part of global community, Indonesia is also bound by international commitment under Paris Agreement and the Sustainable Development Goals (SDGs). As part of its parliamentary diplomacy mandate, the Committee for Inter Parliamentary Cooperation are actively taking parliamentary role in climate change mitigation and adaptation. Each year, the Committee sends delegation to the Parliamentary Meeting on the occasion of Climate Change Conference. It is a regular event jointly hosted by the Inter Parliamentary Union (IPU) and a national parliament that brought together parliamentarians from the world over to discuss ways of ensuring the implementation of Paris Agreement. Since the Parliamentary Meeting is held on the margin of the Conference of Parties (COP), it is also an opportunity to interact with experts and negotiators directly involved with UNFCCC decision-making process. Aside from obtaining first hand update on main issues and orientation of COP, Members of Parliaments are also given the advantage of scaling up their knowledge and familiarity with the IPU's Parliamentary of Action on Climate Change. Thus, improving their role to contribute to the achievement of the short-term and long-term goals of the UNFCCC.⁴⁴

The Committee for Inter Parliamentary Cooperation is often discussed climate change under the bigger framework of the 2030 sustainable development Agenda. SDGs is based on the key components of people, planet, prosperity, peace, and partnership,

44 BKSAP DPR RI, *Laporan Delegasi DPR RI ke Parliamentary Meeting at the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change* (Jakarta: BKSAP DPR RI, 2018).

which makes SDGs inclusive in its Goals and implementation. It is also built upon the central tenet of “leaving no one behind”. For Indonesia, the key components of SDGs are very much in line with the vision of prosperity and welfare for all citizens, which has become Indonesia’s development credo since the era of President Soekarno. Indonesia has also strong legal basis for SDGs implementation. The President’s Decree No 59 of 2017 laid out the foundation for nationwide SDGs implementation. It laid out guidance for mainstreaming SDGs into the national and local government medium- and long-term development plan as well as a legal basis for an establishment of a national secretariat as a focal point for SDGs implementation.

Since SDGs is emphasizing on multi-stakeholders’ approach, The House of Representatives is keen to take part in mainstreaming and supporting the global development agenda. All the 17 global Goals have been internalized in the works of the House of Representatives of the Republic of Indonesia. Regular campaign to raise awareness raising and increase Members of Parliament awareness on the issue has been conducted. In such a way, this will enable them to communicate SDGs to their constituents and become the bridge builder between international agenda and reality on the ground. Members of Parliament involvement is encouraged to involve in national SDGs evaluation, including cooperation with IPU on implementation of SDGs toolkits for parliamentarians. The Committee for Inter Parliamentary Cooperation has also launched an SDGs Dashboard to monitor the national progress on achieving the Agenda 2030.

House of Representatives is also taking part in the bi-annual Voluntary National Review (VNR) of SDGs. Involvement of the House of Representatives is not only to secure the whole of society approach to VNR but also to contributes parliamentary perspectives on the transformative challenge of the 2030 global commitment.



One of the Committee initiatives to enhance the role of the House of Representatives on SDGs is the World Parliamentary Forum on SDGs (WPFSD). It is a platform to facilitate the sharing of policy analysis, experiences, best practices from cross-country and cross-sectors in order to provide a full range of comprehensive perspectives on implementation of SDGs to the parliaments⁴⁵. The Forum has met for three consecutive years starting from 2017 and produced outcomes documents to elevate global parliaments' commitment to the SDGs. On the issue of the planet and ecosystem, the Forum discussed ways and means to boost parliament's capacity to build effective legislation for climate change and mobilizing resources to support climate change mitigation and adaptation strategy. Other than climate change, issues on the table were ranging from democracy and good governance, health equity and well-being, to gender balance and social-financial inclusion.

The Second WPFSD held in 2018 has leveled up parliaments' commitment on mitigating climate change with specific focus on clean and renewable energy. A literal reference to the issue has been made in the Bali Commitment, the outcome document of the Forum. Therefore, parliament must continue to promote green industry and development to support the achievement of energy security and diversification. Since all the 17 Goals of SDGs are interlinked and complementary to each other, therefore, progress on affordable and clean energy can affect other Goals such as poverty eradication, food security, health, and mitigation and adaptation to climate change.

This year, parties could finally produce a strong rulebook guiding the international cooperation through carbon market in

45 BKSAP DPR RI, *World Parliamentary Forum on Sustainable Development: Achieving the 2030 Agenda through Inclusive Development*, Concept Note (BKSAP DPR RI, 2017). <http://ksap.dpr.go.id/pfsd2017/page/detail/id/274>.

COP 26 Glasgow. Cooperation also set a framework to create equity between parties, particularly related to financing for climate actions. The Paris Agreement stated that developed countries must provide capacity building, financial support and transfer of technology in order to enable developing countries to fulfil their commitments. On the issue of loss and damage, the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which was incorporated into the Paris Agreement at COP 21, promotes dialogue and cooperation in approaching loss and damages due to climate change.

The parliamentary diplomacy function of the Committee for Inter Parliamentary Cooperation enables the Committee to engage in bilateral, regional, and multilateral parliament-to-parliament dialogue. This is not only facilitating the sharing of good practices but also helps in communicating any backlog in relations to country-to-country cooperation on climate issues. Active participation in the Inter Parliamentary Union (IPU) also enable the Committee to form link between legislators and the United Nations. Through the annual UNFCCC Conference of Parties (COP), the Committee enable members from the House Commissions on forestry and on energy to fulfil their oversight role more effectively.

In order to fulfil the clean energy target, set out in the Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR), the Ministry of Energy and Mineral Resources has formulated a roadmap to 2060. In supporting this, the House of Representatives will need to exercise stringent parliamentary oversight and legislative scrutiny on the Government agenda. Furthermore, the Parliament must strive to make scrutiny on climate impact assessments of all legislations as a matter of routine procedure.



2. Regional and Bilateral Cooperation

Today, regional cooperation is the key to manage the global commons. In 2017, the House of Representatives of the Republic of Indonesia had put forward this issue to ASEAN through the ASEAN Inter Parliamentary Assembly (AIPA) Caucus. Marine plastic debris become the major issue at the table. AIPA Member Parliaments reached consensus to continuously supporting and monitoring the implementation of the prevailing laws and regulations, in accordance to the parliamentary functions of legislation, monitoring and budgeting. From the Country Reports presented to the Caucus, notable developments have been made in the formulation and adoption of relevant laws in AIPA Member Parliaments.⁴⁶ Indonesia itself has taken a number of strategic measures to promote sustainable use of marine resources. Legislative measures to guide conservation, utilization, and spatial planning of coastal and marine areas have been in place. Several key laws on marine debris pollution have also been enacted to address the challenge of managing the ocean waste. These including Law No. 32 of 2014 on the Sea and Law No. 32 of 2009 on the Protection and Management of Environment. The Law on the Sea specifies that central and regional governments shall establish a system for the mitigation and management of marine pollution and destruction. Article 56 makes the government responsible for protecting and conserving the marine environment through the prevention, reduction, and management of ocean pollution.⁴⁷ Other AIPA Member Parliaments have also strengthened their national legislative measures to protect marine environment from environmental degradation and unlawful practices. The Meeting concluded with commitment to continue

46 BKSAP DPR RI, *Laporan Delegasi DPR RI ke Sidang ke-9 AIPA Caucus* (Jakarta: BKSAP DPR RI, 2017). <https://www.dpr.go.id/dokakd/dokumen/BKSAP-13-8f4f1663ba77c1b2c2fcebcc53b405dd.pdf>.

47 BKSAP DPR RI, *Indonesia Country Report to the 9th AIPA Caucus* (2017).

putting the issue of marine resources protection under spotlight along with other regional priorities, the maritime safety and maritime security. As a Community what ASEAN need in the near future is a unified roadmap to a healthier and cleaner ASEAN waters that will lead to improvement in maritime tourism development, more job opportunities and stronger regional economy.

3. National Level Cooperation

The local government could use Village Fund as a means of implementation to support this idea. Under The Village Law 6 of 2014 as a legal framework, the Government of Indonesia is mandated to allocate village fund to support the implementation of village role and function for village development in many aspects. Village fund is the village transfer revenue from State Budget to 74,954 villages all over Indonesia. Disbursement of this fund is with the intention to bridge the gap in public-services between rural and urban areas and enhances social welfare in rural areas.

In several engagements with the BKASP leadership, several ideas to develop village forest, conserve area around bank of rivers (Daerah Aliran Sungai/DAS) and create new space bordering villages. These innovative land use ideas are rooted strongly in various locality. In Bali, village community forests have proven to conserve nature and support villagers' wellbeing. Rejuvenating the availability of space bordering the villages would harness the current effort to address poverty, inequality, and disenfranchisement brought by COVID-19. The support from parliament would enhance parliament commitment to the wellbeing and sustainability of human, nature, and future.



VII.

Conclusion

THE PARIS AGREEMENT uniting almost all the nations under the legally binding treaty that set out a global framework to reduce greenhouse gasses and limit the global warming to 2°C – and where possible to 1.5°C. As part of global community, Indonesia reconfirms its commitment to contribute to the global initiative and pledges to take efforts reducing the carbon emissions by 29% in the 2030, and with the international support to reduce it by 41%. This commitment was formalized in the Nationally Determined Contributions (NDC) report proposed by Indonesia. In July 2021 Indonesia has submitted two documents: the Updated NDC and Long-Term Strategies for Low Carbon and Climate Resilience 2050 (LTS-LCCR 2050). The two documents reflect the enhanced commitment and the adoption of the recently established Paris Agreement Rules Book (Katowice Package) to ensure effective and efficient implementation of the Agreement.

Since Indonesia is among the world's major emerging economies and emitters of greenhouse gas emissions (GHG), Indonesia needs to reconsider its development pathway and adopting a greener approach to achieve its ambitious climate commitment. By shifting into green economy, Indonesia will be able to divert its economic

activities toward activities to conserve and rejuvenate the nature. As a pathway toward green economy, several policy agendas have been proposed, developed, and aspired in Indonesia. The first is the Carbon Policy simulated by Badan Perencanaan Pembangunan Nasional (BAPPENAS) or the National Development Planning Agency and supported by the Ministry of Finance. This agenda is a comparative scenario simulation in costs and benefits of shifting the existing policies (status-quo green economic policy) to green economic policy. The benefits of transforming the economy to the green path would be providing future jobs, reducing costs, and sustaining the nature. Other benefits of the green economy policy are the reduction of poverty, equality, and natural disaster caused by climate changes. The costs of continuing the using of fossil-based carbon economy among others are trapping economic potentials for the future jobs, increase costs of production, consumption, and distribution (in the long-run) and depriving the sustainability of the nature. Other implication of keeping the fossil-based economy is increasing poverty, inequality, and natural disaster caused by climate changes.

This white paper concluded that in order to support Indonesia's policy agenda, there are several things needed. The first is the need to review and detail the possibility to design policies, particularly energy and land use policies. The second is the need to review and analyze the institutional structures supporting the green economy agendas in Indonesia. It is essential to elevate the authority of the institution and provide it with relevant powers to manage, coordinate, and shape the direction of the change. The third is related to the concern of the continuation of the green economy agenda. This concern is related to the possibility of discontinuation, or at least reduction in commitment for supporting climate change. Changing of regime and leaders in Indonesia may affect the sustainability of the commitment, and new



elected leaders may select priorities unrelated to green economy. Hence, it is an imperative to ground the green economy agenda in the medium-term and long-term policy planning.

Another element to be highlighted is public support toward the agenda. Collective voice of the public should be reflected in the transformation to green economy and toward the green resiliency. This is the part in which member of parliament could do through deliberative democracy in a form of citizen assembly. Aside from gathering grassroot aspiration and implementing representative function, citizen assembly will enhance the legitimacy of decision-making.

Climate change is a transboundary challenge that requires international cooperation and coordinated actions. As the Standing Committee in the House of Representatives of the Republic of Indonesia with the mandate to pursue cooperation with national parliaments and international organizations, the Committee for Inter Parliamentary Cooperation is in the right place to pursue cooperation on this issue. The international cooperation aims at building knowledge, capacities, and experiences on developing green economy policy as part of long-term strategy. It is also mean to engage national stakeholders and international communities to share experiences and technologies on creating and enabling the citizen assembly to be developed and contributive to the deliberative democracy practices on issues on green economy. In terms of financing for climate actions, the Committee for Inter Parliamentary Cooperation shall continue to support the international cooperation on financing to fight climate change and seeking innovation for funding.

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PreCOP26, Rome-FGD Preparation of COP26-COP26, Glasgow





*Working Visit by The BKSAP's SDGs Working Group:
Dialogue With The Local Government (Manado, North Sulawesi)*





BKSAP SDGs Day: Dialogues with the Students from Various Universities Across the Country





*Focus Group Discussion with Westminster Foundation
for Democracy and other CSOs*



*Monumen Energi Surya Indonesia di kompleks
MPR, DPR dan DPD RI, Jakarta*

