

Rescue for global climate change – country-by-country efforts

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As a country with over 15,000 islands, climate change will have a significant impact on our economy and the welfare of our people. A change in the rainy season affects a cycle of our harvesting schedule, and a shift of shorelines towards hinterlands definitely influence the fertility of our priceless lands. Not to mention the weird cycle of floods in a number of our big cities, making most of our people living in urban areas uncomfortably uneasy. No choice, we are forced to adapt to all of these unexpected changes of nature. Our president is now leading the world's effort to reduce carbon emissions. He not only brokered an international commitment during the Bali Climate change summit in 2007, but as a Non Annex 1 country, he made us commit at the G20 meeting in Pittsburgh in September 2009 to a voluntary set target of reducing CO2 emissions to 26 percent below a business as usual scenario.

Furthermore, with international collaboration, we can work together to a further reduction to 41 percent over business as usual emissions by 2020. Yes, it is our commitment to undertake the required changes. We do not and we will not forget that commitment. A national action plan for emission reduction is being implemented across regions and less energy consumption technologies are being searched for acquisition. We have also prepared less polluted fuel, such as gas and geothermal, to be used for power generations. Challenges, however, remain to significantly reduce oil consumption. We can speak from experience that reducing fossil fuel subsidies is not only an environmental necessity but also an economic necessity. As everyone recognizes, there are significant issues of a political and social nature that prevent us from rapidly reducing these subsidies. We are struggling to escape from this long debate of political economy on our fiscal policy. We live in a resource-abundant land in a country that stands out as a successful gas and coal exporter, but our overall record as a country with high-fossil fuel subsidies is so disappointing — a paradox of plenty.

For an equitable world economic development, we also need to recognize that these subsidies are in place not only to support the poor, they are also in place to maintain the comparative advantage industrialized countries maintain, by not reducing their carbon emissions. These facts are too often hidden behind a screen of intellectual observations and proposed uniform solutions to be applied on a worldwide scale. Most of the time we are blind to this collective action voiced by those who happen to have comparative advantages. We are in full support to address the fossil fuel subsidy issues. The continued volatility of fossil fuel prices and the often less than transparent supply and demand is definitely hurting the economies of our nation — all nations. But we must recognize also the need to hedge against this volatility by creating efficient and effective energy portfolios, built on a larger share of sustainable energy sources. But such an approach needs to be built up from an island to island, network to network, nation to nation basis and cannot be addressed globally.

We have also observed that neither the Durban nor the Doha Conferences of the Parties (COP) on climate change have reached international acceptable treaties. While we continue to fully support the efforts by the COP members to reach a global solution, we would advocate that, contrary to the recommendation of establishing another global facility, full recognition is given to the fact that the opportunities provided in moving towards a greener economy is an opportunity, which is different for each region and each country. The lesson learned from the current initiatives such as the Clean Technology Fund (CTF), which have become so difficult to implement due to over complex procedures, is that our good intentions appear ineffective.

We should not make another mistake. The whole point of creating the global facility was to help countries willing to contribute in mitigating a global danger of carbon emission but having limited access to resources. In response to the findings of the Extractive Industry Report prepared under the guidance of our former minister of environment Emil Salim, the World Bank made a commitment in June 2004 in Bonn, Germany to increase its support for new renewable energy and energy efficiency by 20 percent per year and defined the impact its support has had in improving lives for 5 years. Let us consider in light of the climate crisis, but also to promote equitable development between and within countries, to double these efforts and recommend that the Bank will increase its lending for renewable energy and energy efficiency not with 20 but 50 percent a year at least until 2020, or until an international treaty on regulating carbon emissions is in place.

With a greater share of renewables in the energy portfolio, we not only reduce carbon emissions, we also hedge our economies against the volatilities of the fossil fuel market, we add to local energy security, to have not only access to energy, but also to affordable energy produced locally. Affordable, of course, is not only for today but also in 30 or 50 years from now. Such a commitment needs to be based not on a global fund, but on a country-by-country effort, with strong support for the efforts of the people themselves, the communities and the private sector. The multilateral development agencies can help countries to do that.

We suggest that these agencies, such as the World Bank, considers a country by country approach to increase by 50 percent of its lending for renewable energy each year, at least until 2020, or until such a time that an international climate change treaty has been agreed, if there will be any. To make such a portfolio feasible for the member countries, each country should have access to a significant amount of grant made available by the Annex 1 countries. We need these funds to prepare the required renewable energy resources, to prepare master plans for each country and to familiarize the benefits of renewable energy both at a community level and at national macroeconomic levels.

In a nutshell, expectation from the global facilities has been too excessive. Little has also been implemented from CTF. Until a new treaty on global funds is in place, a local initiative rooted from within, facilitated by development agencies, addressing countries specific efforts is a rescue for the global climate problems.

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