

## **Fact Sheet: Expanding The U.S.-Indonesia Partnership On Climate Change And Clean Energy**

President Obama and Indonesian President Yudhoyono have committed to making combating climate change, including enhanced cooperation on clean energy, a key element of the new U.S.-Indonesia Comprehensive Partnership. The Presidents emphasized efforts to implement two major international climate and energy agreements conceived last year – the Copenhagen Accord’s call to reduce global emissions by taking concrete and transparent mitigation actions, and the G-20 Leaders’ commitment to phase out inefficient fossil fuel subsidies while promoting renewable energy and improving energy efficiency.

The United States applauds the Government of Indonesia’s leadership on climate change. Indonesia’s progress towards meeting its unilateral goal of reducing emissions 26% below business as usual and up to 41% with assistance -- in a way that is consistent and complementary with a sustainable economic growth strategy -- can be a model and inspiration for sustainable, low-carbon growth across the developing world.

The United States is also encouraged by the new Norway-Indonesia partnership to reduce emissions from forests and peat lands, currently Indonesia’s highest source of emissions. We note the recent progress on formulating Indonesia’s “REDD+” (Reducing Emissions from Deforestation and forest Degradation) Strategy and establishing coordinating mechanisms through the REDD+ Task Force. We welcome this as a major step forward and intend to fully support these efforts through a practical approach and on the basis of an agreed agenda between our Governments.

In this regard, Presidents Obama and Yudhoyono announced developments in several new and ongoing U.S.-Indonesia initiatives:

### The Millennium Challenge Corporation

The MCC is currently embarking on extensive joint planning sessions with the Government of Indonesia to agree on a large, multi-year compact to promote economic growth and poverty reduction, for submission to its Board in 2011. The negotiations are focused on three thematic areas: green prosperity, access to economic opportunities, and governance. *Green Prosperity* investments are expected to enhance livelihoods consistent with a low-carbon, environmentally and socially sustainable growth strategy. Programs under the compact will look to leverage and complement climate change and development programs under the U.S. - Indonesia Comprehensive Partnership as well as support the Norway-Indonesia partnership.

### Ongoing Climate Change Engagement

The first Working Group on Climate Change and Environment, under the Comprehensive Partnership, met in September. This followed an announcement by the two Presidents in June of a broad suite of cooperation on both environment and climate under the SOLUSI (“solution” in Indonesian) framework, which involves \$136 million in total funding, including programs with a strong climate change dimension:

- USAID’s Indonesia Forestry and Climate Support (IFACS) project is a \$40M effort that will reduce the threats of deforestation and climate change and help to conserve the country’s tropical forests, wildlife, and ecosystem processes.
- USAID’s Indonesia Marine and Climate Support (IMACS) project is a \$20M effort that will promote climate change adaptation efforts in vulnerable coastal communities and marine food security through sustainable management of marine resources.
- A second debt-for-nature program under the Tropical Forest Conservation Act (TFCA), for which Treasury has allocated nearly \$20 million, is currently being negotiated. Under TFCA, certain official debt owed to the U.S. Government is reduced and “redirected” to support tropical forest conservation activities.
- USAID is establishing a Public-Private Partnership for Low Emissions Development to generate innovative and scalable models as alternatives to deforestation that will support the moratorium on forest conversion by creating economic opportunities that provide needed revenue for communities, businesses and governments.

#### Strengthening Technical Capacity for Tackling Climate Change

This past June, the United States announced it would support Indonesia in establishing a Climate Change Center that will link science to policy on strategic priorities in the climate change area. While the design of the Center is still under discussion, the United States is moving forward, in cooperation with the Government of Indonesia, to provide technical assistance.

Emissions reductions, in particular REDD+, is a priority for Indonesia. A key element of this is the establishment of a world class measurement, reporting and verification, or “MRV”, capability, both for operational purposes and for international engagement with the highest degree of integrity. The United States stands ready to provide, as mutually agreed, support needed by the Government of Indonesia, through the knowledge, capacity and assets it has developed in this field.

- NASA is in discussions with the Indonesia National Aerospace Institute (LAPAN) regarding collaboration in a number of areas, including capacity building and education, earth science applications for societal benefits, scientific data exchange, space weather monitoring and research, and measuring and monitoring emissions and the impacts of climate change.
- The U.S. Forest Service has launched a new program with Indonesian partners that will mobilize U.S. expert cooperation and training to improve peat land emissions data, understanding of carbon dynamics, and mapping and monitoring of carbon-rich peat lands and tropical forests.

#### Enhancing Clean Energy Collaboration

Renewable energy and energy efficiency are key parts of Indonesia's plan to reduce greenhouse gas emissions and contribute to energy security goals. The United States has taken the following actions to support the clean energy deployment in Indonesia and promote trade and investment that benefits Indonesian users as well as United States exporters:

- USAID's Indonesia Clean Energy Development Program (ICED) will support Indonesia's efforts to introduce clean energy development by addressing regulatory barriers, capacity constraints, and increasing the development of renewable energies. Indonesia's past and continuing efforts to reduce subsidies will provide valuable experience for other countries struggling with similar challenges.
- The United States is one of the primary donors to the Clean Technology Fund (CTF), one of the multilateral Climate Investment Funds. The CTF, in partnership with the Asian Development Bank and the World Bank, will provide Indonesia with \$400 million in co-financing to mobilize over \$3.1 billion in total investments in clean energy -- primarily in geothermal energy and energy efficiency.
- U.S. Secretary of Commerce Gary Locke led a mission to Jakarta earlier this year to promote U.S. exports in a broad range of clean energy technologies, including geothermal, biomass, hydropower, wind, solar, and energy efficiency products and services.
- The U.S. Trade Development Agency supported Indonesian participation in a USTDA-sponsored ASEAN Clean Energy Trade, Technology and Investment Forum earlier this year. The event brought ASEAN and U.S. government senior officials together with U.S. industry and international financing entities to promote the acceleration of clean energy project deployment in the region.
- Indonesia recently joined other top ten global methane emitters in the Global Methane Initiative (GMI). Through involvement in GMI and cooperation with the U.S. Environmental Protection Agency, Indonesia will have significant opportunities to limit greenhouse gas emissions and advance clean energy development, particularly in the coal, oil, and gas sector.
- The U.S. Department of Energy and the Indonesia Ministry of Energy & Mineral Resources convened the 3<sup>rd</sup> U.S. - Indonesia Energy Policy Dialogue in Washington in June, 2010. The meeting, which included the business communities from both nations, emphasized enhanced bilateral cooperation in clean energy policy, technology and investment, particularly in renewable energy, geothermal power, natural gas, biofuels, and clean civil nuclear power.

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