



Opening Remarks

Of

**Dr. Naoko Ishii, CEO and Chairperson of the
Global Environment Facility**

**At the
Indonesian National Dialogue**

Indonesia NDI
February 10 -12 2015
Jakarta, Indonesia

Good morning and welcome everybody.

I would like express my sincere gratitude to the Ministry of Environment for Indonesia for organizing this National Dialogue.

In my view, this National Dialogue comes at a very opportune time.

From Indonesia's perspective, it is the beginning of the new government's term. It is the time when many of the government's priorities will be concretized.

President Jokowi has laid out some very clear ambitions to strengthen sustainable development in Indonesia. It is clear to me that it is an important priority for the new government is to manage Indonesia's vast natural resources in a way that supports economic development and job creation.

The government recognizes that it needs to carefully manage land use in Indonesia in a way to supports increasing agricultural production, including production of palm oil, without compromising Indonesia's remaining tropical forest. The government also recognizes the importance of local communities in managing forests. Reducing deforestation will help preserve the exceptional biodiversity that Indonesia's tropical forests host. It will also help slow down GHG emissions—in a global comparison Indonesia's GHG emissions from land-use change are exceptionally high. The President has emphasized the need to evaluate and plan for the sustainable utilization of forest resources, including through more effective monitoring and law enforcement against illegal loggers. He has also emphasized the need to ensure the preservation of natural resources and ecosystems, by maintaining ecological processes and life buffer systems the preservation and

protection of the remaining 20 million ha forested areas, and the protection of endangered flora and fauna. And President Jokowi has emphasized the possibility for rehabilitation of 100 million ha of un-forested, non-productive forest, and degraded land.

As the world's largest archipelagic state, there is a huge potential to harness Indonesia's coastal fisheries for the benefit for local fishermen. In this regard, the President has emphasized the need to eliminate unregulated and underreported fishing, to reduce catch intensity in areas of overfishing, to rehabilitate environmental damage to the coast and oceans, and to increase the size of marine protected areas that managed in a sustainable manner.

The government has high ambitions to increase the capacity for electricity generation. The target is to increase it by 35 GW in the next 5 years. I am encouraged by the statement that the Indonesian government made during the most recent climate COP in Lima, where it was noted that Indonesia is committed to gradually reducing the use of fossil energy, leaning towards a greater role for renewable energy and low carbon energy technologies. The recent reduction in fuel subsidies was a step in the right direction towards a low-carbon economy.

From the GEF's perspective, this NDI comes at an opportune time because we are just now at the beginning of our new four-year investment cycle. Therefore, we now have the opportunity to take a fresh look at how GEF resources are best deployed in Indonesia. In this regard, I want to mention that a new area for the GEF is mercury pollution. Indonesia has signed the Minamata Convention on Mercury, and we know that mercury pollution from small-scale gold mining in Indonesia is a big problem in certain areas.

Finally, the NDI comes at an opportune time because at the global level, 2015 is an important year when many processes will converge. Next month, in Sendai, Japan, all countries will meet to discuss a new framework for disaster risks management—something that is increasingly important in the context of climate change. In July, the world will meet in Addis to discuss a future framework for Financing for Development. In September, a new global set of Sustainable Development Goals will be agreed at the UN General Assembly. And in December 2015, the world's nations will meet in Paris to finalize a Climate Agreement. The world will be looking for Indonesia's active participation and constructive leadership in all these areas.

As many of you know, Indonesia has been member of the GEF since the GEF was first established back in 1992 around the Rio Earth Summit. Many good projects have been implemented that have achieved good impacts. However, one lesson we have learned is that in order to be most impactful, it is necessary for us to work together to try to address the underlying drivers of environmental degradation. Too often, those of us who work to improve the environment only begin work AFTER the damage has been done. Or, we do our work pretending that we can ISOLATE the environment from other economic activities. This makes us much less effective than we could be. To be more effective, we need to bring the environment out of its silo and into the mainstream of the economic decisions and planning, both in the private and public sectors.

In preparation for this NDI, I have had conversations with a number of ministers, including the minister of environment, the minister of fisheries, the minister of planning, and the coordinating minister of maritime affair. One thing that we have

all agreed is that the past practice of spreading GEF resources thinly across a large number of diverse projects is not the best way of ensuring that we can achieve the most impact for the benefit of sustainable development in Indonesia. There is agreement that we need to focus our efforts on a smaller number of more strategically important activities.

In closing, let me say that my objectives for this National Dialogue are very simple. We need to ensure that the activities of the Global Environment Facility are fully aligned with the Government's priorities. And we need to ensure that the GEF's activities focus on strategically important issues, and that they are designed in such a way that they have the most impact.

Four years from now we want to be proud of the contribution we made to Indonesia's progress.

I look forward to working with all of you to make this a reality.

Thank you