

**Delegation of the Republic of Indonesia
Draft Intervention
The Industrial Development Board, 50th Session, UNIDO
Vienna, 21 – 23 November 2022**

8. Climate neutral industry and circular economy

(a) UNIDO activities related to circular economy

- Indonesia thanks the UNIDO Secretariat for presenting Document No. 15 on Activities related to circular economy.
- Indonesia progressively develops a circular economy strategy and carries out some strategic policies for the transition to a circular economy in relation to sustainable consumption and production.
- The circular economy concept is in line with the Government of Indonesia's plans to achieve SDGs and net-zero emissions. In 2017, Indonesia issued Presidential Regulation No. 97 on Management of household waste and Government Regulation No. 46 on Environmental Economic Instruments. Circular economy agenda was also included into the National Development Plan for 2020-2024.
- Indonesia realizes that, as developing countries have now been the center of production and been on the way towards driving the global consumption, it is important to encourage the adoption of circular economy practice in developing countries.
- However, developing countries often face challenges to implement circular economy policies, including varying degrees of institutional capacity and lack of investment in recycling and reusing used materials and products.
- Successful implementation depends on enabling factors, such as technology, finance, and innovative business models.
- In that regard, Indonesia would like to extend sincere gratitude to UNIDO for supporting circular economy efforts in Indonesia, particularly through the Global Eco-Industrial Parks Programme, with funding support from Switzerland.
- Indonesia calls UNIDO to enhance its assistance to Member States in creating enabling environment for circular economy investment.
- We are also looking forward to actively participate in the further rounds of Regional and Global Consultations on Circular Economy.

- For further consultations and activities on circular economy, Indonesia would like to suggest three important activities:
 - Firstly, enhancing the participation and contribution of MSMEs in the circular economy.
 - Secondly, facilitating greater global cooperation and coordination on common rules and standards for circular value chains
 - Thirdly, exploring policy options to mitigate trade-offs which may arise between different sectors and along supply chains.
- Indonesia believes that the shift toward the circular economy and more sustainable growth and sustainable consumption patterns will be successful, if there are strong global partnerships and collaboration.

(b) UNIDO strategy in response to climate change

- Indonesia appreciates Secretariat's hard work in preparing the UNIDO Strategy in Response to Climate Change, as presented in Annex of Document 16.
- In general, the draft Strategy is in line with Indonesia's consistency in promoting strong and inclusive climate action.
- During the G20 Leaders' Summit in Bali, Indonesia, just last week, the G20 reaffirmed steadfast commitments to tackle climate change by strengthening the implementation of the Paris Agreement, reflecting principle of common but differentiated responsibilities and respective capabilities.
- The international community currently faces climate and energy crises. To cope with these challenges, there is an urgency to rigorously diversify energy mixes and strengthen energy resilience.
- In that regard, Indonesia supports UNIDO's strategy to boost the use of renewable energies, including through a Global Programme for Green Hydrogen in Industry. Indonesia has started to investigate the potential of hydrogen energy, and look forward to exchanging views and exploring possible partnerships on that field.
- Indonesia also endorses UNIDO's intention to coordinate and leverage climate finance opportunities. In the same vein, Indonesia recently launched the Energy Transition Mechanism (ETM) Country Platform, a financing mechanism which intends to become a tool to pool investment from public and private sectors to accelerate energy transition.
- To strengthen UNIDO's response to climate change, Indonesia proposes to add possible collaboration and partnership between UNIDO and regional organizations into the UNIDO Strategy.
- Cooperation with regional organization is important to scale up resources and identify areas of cooperation which would fit best to region's needs and capacity.

- In the Southeast Asian region, for example, ASEAN has demonstrated strong commitment to addressing climate change, through various the adoption of documents and plans of actions, and implementation of numerous climate action activities.
- Assuming the 2023 ASEAN Chairmanship, Indonesia will continue to strengthening climate action and is looking forward to explore opportunity for collaboration between ASEAN and UNIDO.