

NEWSLETTER



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Welcome to the LPEM Newsletter September 2021 Edition. The LPEM Newsletter is the fruit of thoughts and a summary of the activities of the LPEM FEB UI team. This edition is the third edition and will continue to be published every month. Since 1953, LPEM FEB UI has been actively conducting research, consulting, and training activities aimed at solving development problems in Indonesia. The activities carried out focused on various issues related to institutions, regional economy, international trade, finance and banking, fiscal and monetary economy, agriculture, industry, tourism, rural development, environment, demography, employment, poverty, and MSMEs.

In this edition, the LPEM Newsletter will summarize several infographics released last August, including **"The Challenges of Building Infrastructure in Disaster-Prone State and Climate Change Era"** and **"Optimizing Environmental and Climate Change Financing in Regional Level"**. In addition, this edition will also discuss a discussion that invited LPEM FEB UI as a moderator, namely **"Sustainability Action for The Future Economy (SAFE) Forum 2021"**. This edition also includes a summary of the writings of our researchers released by **Climate Works**. Finally, this edition will present the latest achievements of LPEM FEB UI regarding **Financial Performance at Universitas Indonesia**.

Warmest Regards,

Alin Halimatussadiah

Head of Environmental Economics Study Group

LPEM FEB UI



The Challenges of Building Infrastructure in Disaster-Prone State and Climate Change Era



Infrastructure losses due to disaster damage could be minimized by building disaster-resistant infrastructure.

LPEM FEB UI has released an infographic on “**The Challenges of Building Infrastructure in Disaster-Prone State and Climate Change Era**”. These challenges include (1) Policy challenges; (2) institutional challenges; and (3) financial challenges. In terms of policy challenges, Indonesia still does not have adequate incentive schemes to encourage the development of resilient infrastructure. Weak adoption of international standards and poor understanding of disaster risk and climate change when developing infrastructure are also vital challenges included in this aspect. In addition, challenges from an institutional perspective are but not limited to lack of research and development activities, inadequate human resources, weak role of non-governmental institutions to encourage the availability of resilient infrastructure, and disparity in local and central government officials’ understanding of disaster-resistant infrastructure. Finally, the financial challenges in building disaster-resistant infrastructure include huge financing needs, the lack of innovative financing alternatives, and limited central and regional fiscal capacity.

More on:

www.instagram.com/p/CSO3D2wFnYG/

As a country where most areas are prone to natural disasters, the development of infrastructure in Indonesia that is resilient to disasters and climate change should be prioritized even further. Moreover, recent increase in the intensity of natural disasters has proven that the resiliency of existing infrastructures were still below expectation.

Optimizing Environmental and Climate Change Financing in Regional Level



LPEM FEB UI has released an infographic on “**Optimizing Environmental and Climate Change Financing in Regional Level**”. This infographic highlights the small proportion of environmental budgets compared to other budget functions in the overall regional budgets. This is despite Indonesia's diverse geographic landscape that might need stronger local government involvement, especially when managing environmental issues and climate change.

The low proportion also worsened by COVID-19 in Indonesia, as it has hindered the performance of local governments in Indonesia in dealing with environmental issues and climate change. COVID-19 pandemic has forced local governments to conduct refocusing and relocation policies in their government's budget so that it focuses on economic recovery, health care, and social protection. This infographic also describes the efforts that the government can take to optimize funding for climate change and disaster mitigation programs.

More on:

https://www.instagram.com/p/CSy_dR_FTNN/

LPEM FEB UI Awarded Third Place for Best Financial Reporting Performance in 2020

The Directorate of Finance and Accounting University of Indonesia awarded LPEM FEB UI in third place for **"The Best Financial Reporting Performance in 2020"** for the Special Work Unit for Community Services and Community Service (UKKPPM) Category. The award charter was signed and presented by Wiwit Handayani, SE, Ak., MM., MBA as Director of Finance and Accounting, Universitas Indonesia on June 2, 2021, in Depok.

This award was a recognition of LPEM FEB UI's stellar performance in preparing financial reports. This award also reflected the commitment from LPEM FEB UI to always strive for financial reporting discipline in order to create financial transparency and accountability of LPEM FEB UI.



Indonesia Needs the Right Momentum to Achieve Faster Net Zero Emission Target



Various countries are currently competing to achieve carbon neutrality commitments. The majority of countries in the world that are members of the World Carbon Neutrality Coalition are aiming to achieve a 100% carbon neutrality level by 2050. Indonesia was not a member of the coalition until early 2021. Indonesian policymakers almost never mentioned the phrase "net-zero emission". It was only in the first quarter of 2020 that a plan emerged to target Indonesia to reach net-zero by 2070. It was even followed by an unofficial study that said Indonesia could achieve net-zero emission by 2045.

Alin Halimatussadiah, Head of the Environmental Economics Research Group, LPEM FEB UI, together with Guntur Sutiyono, Country Lead for ClimateWorks for

Indonesia, stated that on July 22, 2021, Indonesia officially proposed the Long Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR). The strategy aims to enable greater contribution to global goals while also achieving national development goals by paying attention to the balance between emission reduction, economic growth, equity, and climate resilience development.

To encourage these efforts, LPEM FEB UI collaborated with ClimateWorks and several other institutions to provide information to key actors on how to accelerate Indonesia's climate agenda to achieve sustainable development. The suggestion put forward by LPEM FEB UI together with several other institutions is that Indonesia can start taking a leading role among ASEAN countries to set regional targets, collaborate, and increase commitment to strengthen climate action. Indonesia can promote regional collaboration by increasing ASEAN's participation in global value chains for goods and services that drive green economic recoveries, such as electric vehicles (EV) and battery electric vehicles (BEV). Indonesia can also encourage collaboration to expand multilateral electricity trade in the region while increasing its capacity to absorb renewable energy through the ASEAN power grid.

In addition, at the national level, Indonesia can build on the current momentum to improve coordination of net-zero targets and the establishment of other local green policies, including implementing a coal elimination program, ensuring a fair transition in the decarbonization process,

establishing a carbon pricing policy and an emissions trading system. with the aim of implementing it internationally, and others.

More details:
<https://bit.ly/ClimateWorks210820>

The Resilience of the Palm Oil Industry Amid Climate Change



Katadata invited **Alin Halimatussadiah, Head of Environmental-Economic Studies at LPEM FEB UI**, to be a moderator in the Sustainability Action for The Future Economy (SAFE) Forum 2021 Webinar with the theme "**Collaboration for the Future Economy**". The webinar session hosted by Alin discussed specifically on "New Opportunities for The Palm Oil Industry Under Climate Transitions". In this session, Alin along with the speakers discussed the risks, challenges, and opportunities of the palm oil industry in the midst of climate change. Alin believes that the palm oil industry is the most important commodity because of its large role in influencing the

Indonesian economy. In addition, this session also discussed how financial institutions in Indonesia can view the investment prospects of the palm oil industry in the midst of the phenomenon of climate change.

The session started with a presentation on a study on Palm Oil by Mark Kenber (Managing Director, Orbitas and CEO, Climate Advisers UK). Furthermore, there are also several panelists who will give presentations and discuss in this session. Panelists in this session were Agus Purnomo (Managing Director, Sustainability and Strategic Stakeholder Engagement, Sinar Mas Agribusiness & Food), Nurulloh Priyo Sembodo (VP Corporate Banking 6, Bank Mandiri), and Ir. Dedi Junaedi Ali Jamil Harahap (Director of Processing and Marketing of Agricultural Plantation Products, Ministry of Agriculture, Republic of Indonesia).

On this occasion, Alin also conveyed several infographics that had been made by LPEM FEB UI in collaboration with Katadata. This infographic is based on the Orbital Report which was presented by Mark Kenber in the same session. The infographic provides insight into several climate transition scenarios for the palm oil industry as well as insight into the risks of climate transition to the palm oil commodity.

More details:
<https://www.youtube.com/watch?v=M8U50AKKe1o>

Overview of LPEM FEB UI Publications and

Economic Brief

Macroeconomic Analysis Series: Inflation Analysis, August 2021

Inflation in July was recorded at 1.52 percent year-on-year, strengthening compared to the previous month with inflation of 1.33 percent. The strengthening of inflation during this period was driven by the strengthening of the components of prices regulated by the government and volatile goods prices, although core inflation weakened slightly.

More details:

<https://www.lpem.org/series-analysis-macroeconomic-inflation-bulanan.-agustus-2021/>

Macroeconomic Analysis Series: BI Board of Governors Meeting, August 2021

Indonesia's GDP increased by 7.07% (y.o.y) in the second quarter and after exactly one year, we are officially out of

the economic recession that has occurred since Q2 2020. Despite better-than-expected economic growth, the pace of recovery is still limited due to the emergence of the Delta variant which has a high transmission rate so that mobility restrictions have been imposed again since last July.

More details:

<https://www.lpem.org/macroeconomic-analysis-series-board-of-governor-meeting-august-2021/>

Macroeconomics Analysis Series: Indonesia Economic Outlook, Q3-2021

Although still in negative territory, Indonesia's GDP growth is at its closest point to the positive territory since the outbreak of the pandemic. Growing -0.74% (y.o.y), Indonesia's economic contraction in Q1 2021 was not as severe as in the previous three quarters in almost all sectors. Furthermore, several sectors that even enjoyed positive growth during the pandemic, experienced a continued expansion in the first quarter of 2021.

More details:

<https://www.lpem.org/macroeconomics-analysis-series-in-donesia-economic-outlook-q3-2021/>

Economic Analysis Series: Trade and Industry Brief, August 2021

To simplify the business licensing process, in early August the Indonesian government launched a risk-based Online Single Submission (OSS) or risk-based approach (RBA), which is one form of implementation of Law No. 11 of 2020 concerning Job Creation.

More details:

<https://www.lpem.org/series-analysis-economy-trade-and-industry-brief-august-2021/>

Labor Market Brief, July 2021

In its development to face the COVID-19 pandemic, Indonesia continues to strive to improve the economic and social conditions of the community.

More details:

<https://www.lpem.org/labor-market-brief-edisi-14-augustus-2021/>

Webinar dan Press Conference



Press Conference: Indonesia Economic Outlook Q3-2021, 4 Agustus 2021, LPEM FEB UI

More on:

<https://www.youtube.com/watch?v=meCiazT3prQ>



Bisnis Olahraga BUMDes: Building the National Economy and Football from the Village, 19 August 2021, LPEM FEB UI

More on:

<https://www.youtube.com/watch?v=fJBa-hQe36U>

**Working Paper:
No.63, August 2021**

Assessing Indonesia’s Inclusive Employment Opportunities for People with Disability in the COVID-19 Era

Providing access to decent work for all can encourage poverty alleviation efforts.

More on:

<https://www.lpem.org/assessing-indonesia%e2%80%99s-inclusive-employment-opportunities-for-people-with-disability-in-the-covid-19-era/>

This paper examines the impact of mobility restrictions on daily fast mass transit (MRT) passengers in Jakarta-Indonesia, and the implications for farebox revenues during the COVID-19 pandemic.

More on:

<https://www.lpem.org/quantifying-the-impacts-of-covid-19-mobility-restrictions-on-ridership-and-farebox-revenues-the-case-of-mass-rapid-transit-in-jakarta-indonesia/>

**Working Paper:
No.62, July 2021**

Quantifying the Impacts of COVID-19 Mobility Restrictions on Ridership and Farebox Revenues: The Case of Mass Rapid Transit in Jakarta, Indonesia



LPEM FEB UI Education and Training: September—December 2021



Monitoring and Evaluation
(6—8 September,
6—8 December 2021)



Policy Paper
(5—17 November 2021)



Data Analysis and Processing
(6—10 September 2021)



Macroeconomics
(11—13 October 2021)



Econometrics
(25—29 October 2021)



Regulatory Impact Assessment
(4—6 October,
22—24 November 2021)



Regional Tax Potential Analysis
(13—17 September 2021)



Public Policy Analysis
(8—12 November 2021)



Planning and Budgeting
(4—8 October 2021)



Computable General Equilibrium
(6—8 December 2021)

Education and training Information:

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