

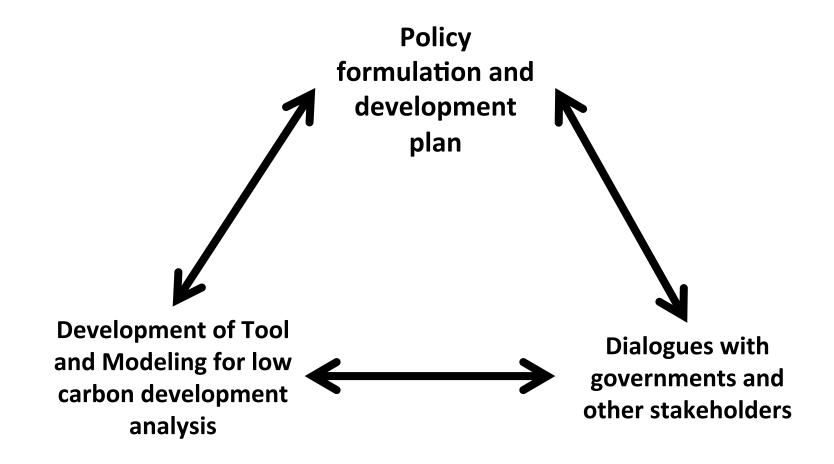


Partnership for A New Age for Asia and Japan – Towards Realising Low-Carbon Societies in Asia

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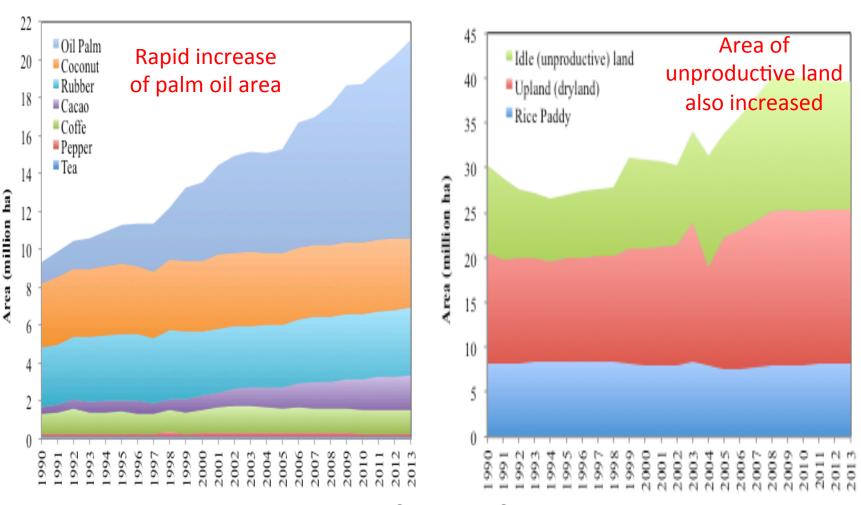
Introduction: Realizing Low Carbon Development: A continuous Process



Simulation Study: AFOLU

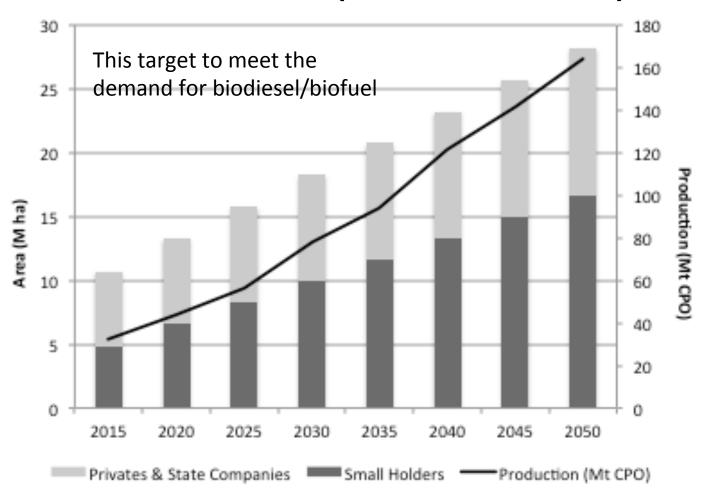
 To assess the feasibility for AFOLU sector to take a pathway that will lead to deep decarbonization (i.e. per capita yearly emission of around 1.6 ton CO2 by 2050 ~ at present around 5.2 ton CO2), taking into account national socio-economic conditions, development aspirations, and other relevant factors

The growth of land area by commodities from 1990-2013



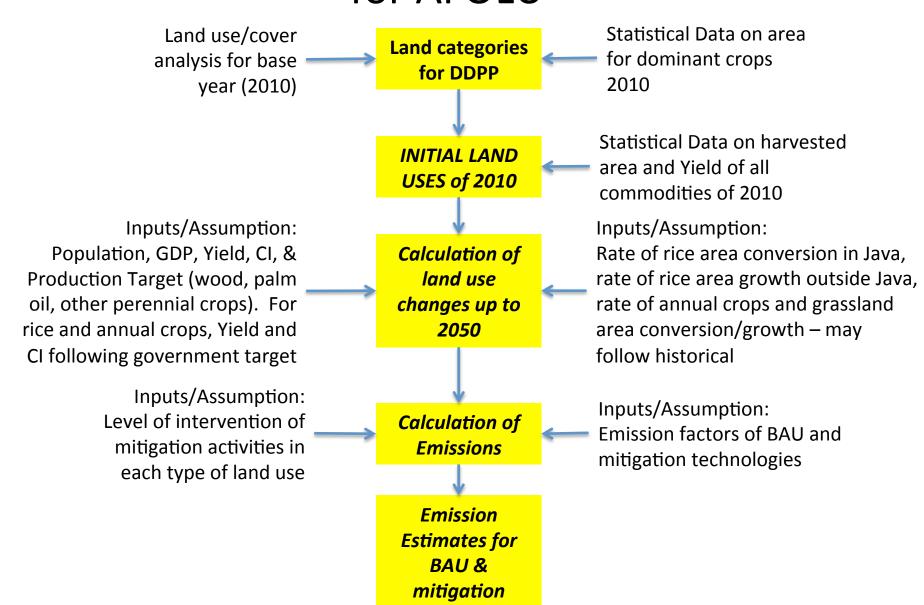
Source: BPS

Ambitious Target of Palm Oil Production (GAPKI, 2014)



Target of wood production based on RKTN (MoF, 2011) also high 360 million m³ mainly from HTI (~15 Million ha)

Methodology: Framework of Dashboard for AFOLU



Development Scenarios

- BAU: Historical
- Government: Following development plan and target
- Deep Decarbonization: Following development plan and target with improved system and intensified mitigation actions
- For all scenarios, it is set to
 - Keep rice to be self sufficient
 - Land demand for livestock is meet
 - Land demand for settlement is meet
 - Meet the target of production for palm oil and wood (For palm oil, follow the GAPKI scenario and for wood based on RKTN, i.e. 360 million m³ by 2030; MoF 2011)

Assumptions

| | Unit | 2010 | 2020 | 2030 | 2040 | 2050 |
|---------------------|----------|---------|---------|---------|---------|---------|
| Population | Million | 234 | 262 | 280 | 299 | 307 |
| Per capita GDP | USD | 2,306 | 3,454 | 5,680 | 9,086 | 14,974 |
| Dairy Cattle | 000 head | 366 | 390 | 415 | 441 | 469 |
| Other Cattle | 000 head | 9,727 | 10,107 | 10,502 | 10,912 | 11,338 |
| Buffolo | 000 head | 1,440 | 1,496 | 1,554 | 1,615 | 1,678 |
| Sheep | 000 head | 10,725 | 11,144 | 11,580 | 12,032 | 12,502 |
| Goat | 000 head | 16,620 | 17,269 | 17,943 | 18,644 | 19,372 |
| Horse | 000 head | 419 | 435 | 452 | 470 | 488 |
| Swine | 000 head | 7,477 | 7,769 | 8,073 | 8,389 | 8,717 |
| Native Chicken | 000 head | 84,672 | 87,979 | 91,416 | 94,987 | 98,697 |
| Egg chicken/Layer | 000 head | 105,210 | 109,320 | 113,590 | 118,026 | 122,637 |
| Broiler | 000 head | 162,225 | 168,562 | 175,146 | 181,988 | 189,096 |
| Duck | 000 head | 44,302 | 46,035 | 47,835 | 49,706 | 51,650 |

Assumption for Crop Productivity

| | 2010 | 2050 | 2050 | 2050 |
|--|-------|-------|-------|-------|
| | 2010 | BAU | GOV | DDPP |
| Rice in Java | 5.80 | 5.95 | 6.11 | 6.11 |
| Outside Java | 4.20 | 5.20 | 5.20 | 5.20 |
| Upland rice | 3.04 | 3.04 | 3.04 | 3.04 |
| other serials | 4.44 | 5.00 | 6.00 | 7.00 |
| vegetables | 9.03 | 10.00 | 11.00 | 12.00 |
| oil crop | 5.27 | 7.00 | 7.00 | 7.00 |
| other crop | 0.87 | 1.30 | 1.30 | 1.30 |
| casava | 20.22 | 26.41 | 29.99 | 35.00 |
| sugar crop | 47.89 | 66.53 | 77.64 | 80.00 |
| fruits and nuts | 10.71 | 12.01 | 13.01 | 14.00 |
| industrial crop | 0.85 | 1.20 | 1.31 | 1.40 |
| palmoil (FB) | 23.17 | 27.18 | 30.02 | 34.50 |
| Assumption land productivity for feed production Nat/Cul (kg/m²) | 0.5/5 | 0.5/5 | 0.5/5 | 0.5/5 |

Assumption for Consumption

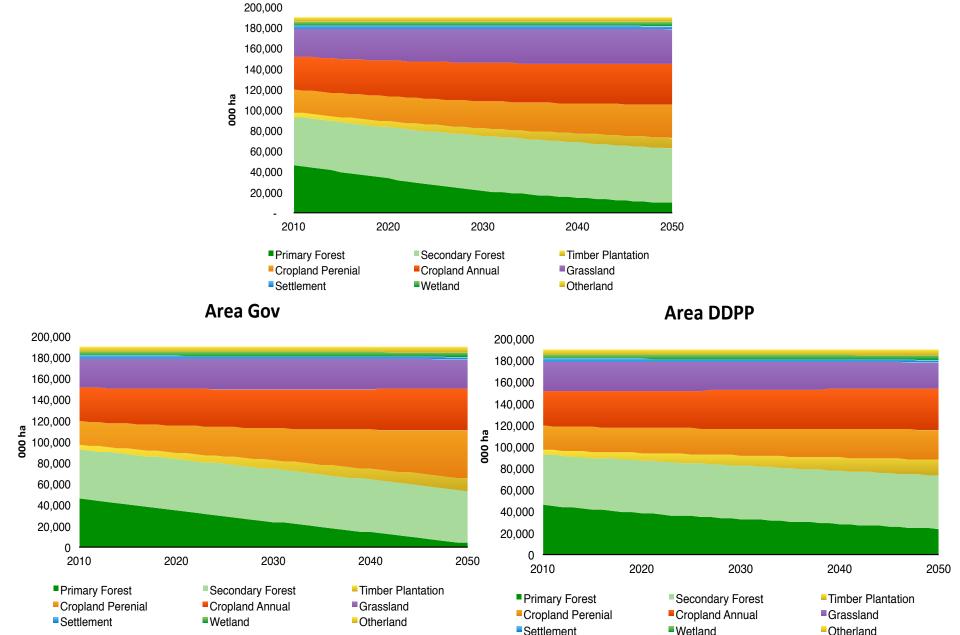
| | | BAU | GOV | DDPP |
|--------------------------------------|--------|--------|---------|--------|
| Consumption (kg/cap/yr) | 2010 | 2050 | 2050 | 2050 |
| Rice crops | 141.00 | 127.75 | 127.75 | 115.55 |
| Other Cerals | 85.00 | 94.00 | 103.00 | 103.00 |
| Vegetables | 56.00 | 68.00 | 68.00 | 68.00 |
| Oil Crops | 65.00 | 79.00 | 79.00 | 79.00 |
| Other Crop | 14.00 | 16.00 | 16.00 | 16.00 |
| Cassava | 60.00 | 78.00 | 78.00 | 78.00 |
| Sugar Crops | 147.00 | 267.00 | 267 .00 | 267.00 |
| Fruits and Nuts | 80.33 | 98.07 | 98.07 | 98.07 |
| Palm Oil | 4.29 | 5.23 | 5.23 | 5.23 |
| Per capita Settlement space (m2/cap) | 109.38 | 109.38 | 73.13 | 73.17 |

Assumption for future deforestation

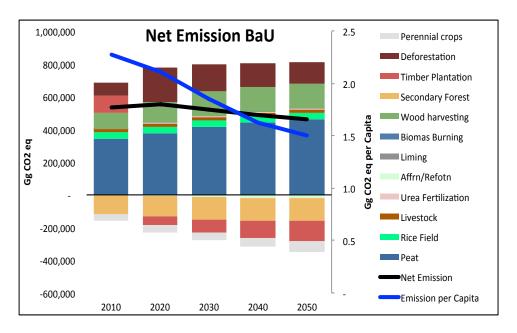
| | BAU | GOV | DDPP |
|--|--------|---------|---------|
| Deforesta n Rat | 2.1% | 1.3% | 0.8% |
| Deforestation rate suggested by the model is higher than | | 313 | 267 |
| Output the assumption rates. Land allocation to meet the target defined in the three | 355 | 913 | 416 |
| Rice . scenarios are not enough | 7.594 | -22.710 | -27.594 |
| Rice a/yr) | 28.764 | 128.218 | 28.764 |

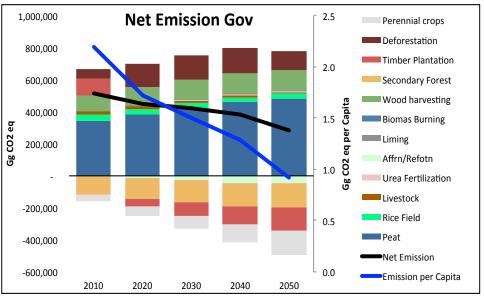
Land Use Projection under the Three scenarios of Development

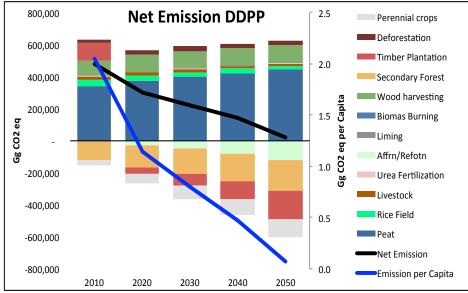
Area BaU



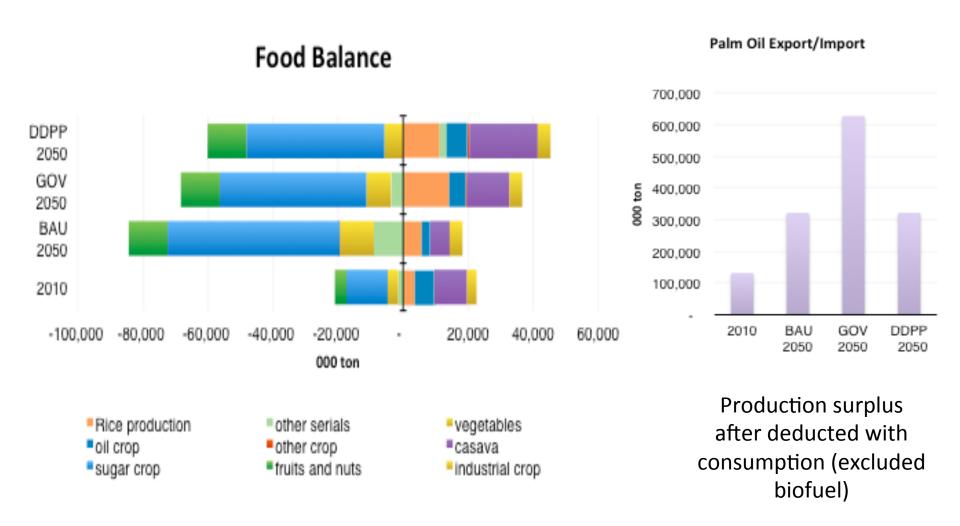
Emission Projection under the three scenarios



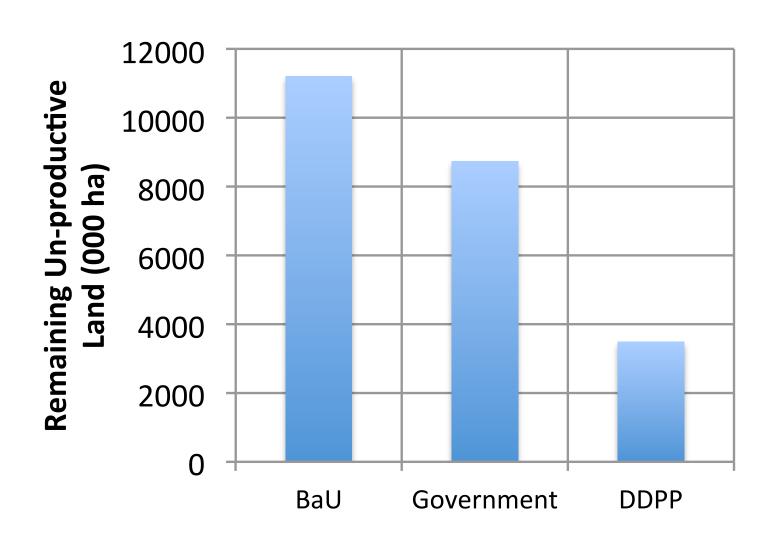




Food Balance and Palm Oil Export



Remaining Un-Productive Lands



Epilogue

- With Government and Business target, the need for land in particularly for oil palm and wood production will be high and the loss of natural forest may over 0.9 Mha
- With deep decarbonization strategy, most of target of government still can be meet, however,
 - the target for palm oil production need to be cut half of the initial target, and
 - investment for increasing productivity of crops may be high and successful rate of reforestation/afforestation program should be increased significantly
- Insentive and disincentive policies