

NAMAs & MRV Update : INDONESIA



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1st Autumn School, 15-23 October 2012



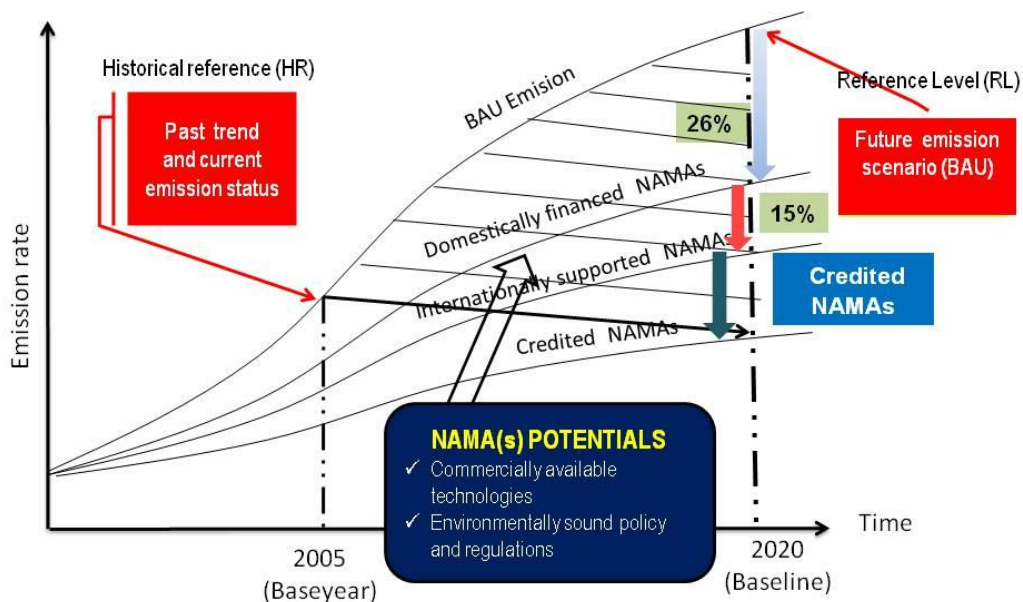
INDONESIA NAMAs: Submission: Proposed NAMAs to be implemented in Indonesia, (FCCC/AWGLCA/2011/INF.1)

- Indonesia is the first developing country in the world to voluntarily reduce its GHG emissions up to 26 per cent by 2020.
- The emission reduction would be achieved through, inter alia:
 - Sustainable peat land management;
 - A reduction in the rate of deforestation and land degradation;
 - The development of carbon sequestration projects in forestry and agriculture;
 - The promotion of energy efficiency;
 - The development of alternative and renewable energy sources;
 - A reduction in solid and liquid waste;
 - Shifting to low-emission modes of transport.
- To translate this commitment, Indonesia is now working on national emission reduction action plan, aimed at achieving the aforementioned emissions reduction, would be equipped with a measurable, reportable and verifiable system in order to ensure that each action receives the necessary level of funding

NATIONAL ACTION PLAN. Indonesian emission is expected to increase from 1.72 to 2.95 GtCO₂e (2000-2020). Proposed National Action Plan on GHG Emission Reduction(RAN-GRK) consist of 70 programs distributed among various sectors .

Sectors	Emission Reduction Plan (Giga ton CO ₂ e)		Agency
	26%	15% (total 41%)	
Forestry and Peat	0.672	0,367	Ministry of Forestry, Ministry of Environment, Ministry of Public Works, Ministry of Agriculture
Waste	0.048	0.030	Ministry of Public Works, Ministry of Environment
Agriculture	0.008	0.003	Ministry of Agriculture, Ministry of Environment
Industry	0.001	0.004	Ministry of Industry
Energy and Transportation	0.038	0.018	Ministry of Transportation, Ministry of Energy and Mining, Ministry of Public Works
	0.767	0.422	

Climate Change Policy Dynamics



- Presidential Instruction No. 10/2011 on **Forest Moratorium**.
Development of REDD+ schemes including Indicative Moratorium maps
- Presidential Decree No. 25/2011 on **National Task Force for REDD+**
REDD+ agency and related institutional development (finance and MRV)
- Presidential Regulation No. 61/2011 on **National Emission Reduction Plan (RAN-GRK)**
Covering 70 programs for 26/41% emission reduction plan across five main sectors (agriculture, forestry and peat, energy and transportation, industry, waste and other supporting activities)
- Presidential Regulation No. 71/2011 on **National GHG Inventory System**
Regular information on the level, status and trend of GHG emission change and absorption, including national, and subnational carbon stock as well as GHG emission reduction

01

Policy Assessment



Preliminary Assessment on The Institutional Arrangement of an MRV Agency:

International Experiences and Possible Options for Indonesia

April 12, 2012

National Council on Climate Change Indonesia (DNPI)
in cooperation with the Japan International Cooperation Agency (JICA)

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120
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100
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80
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60
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40
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20
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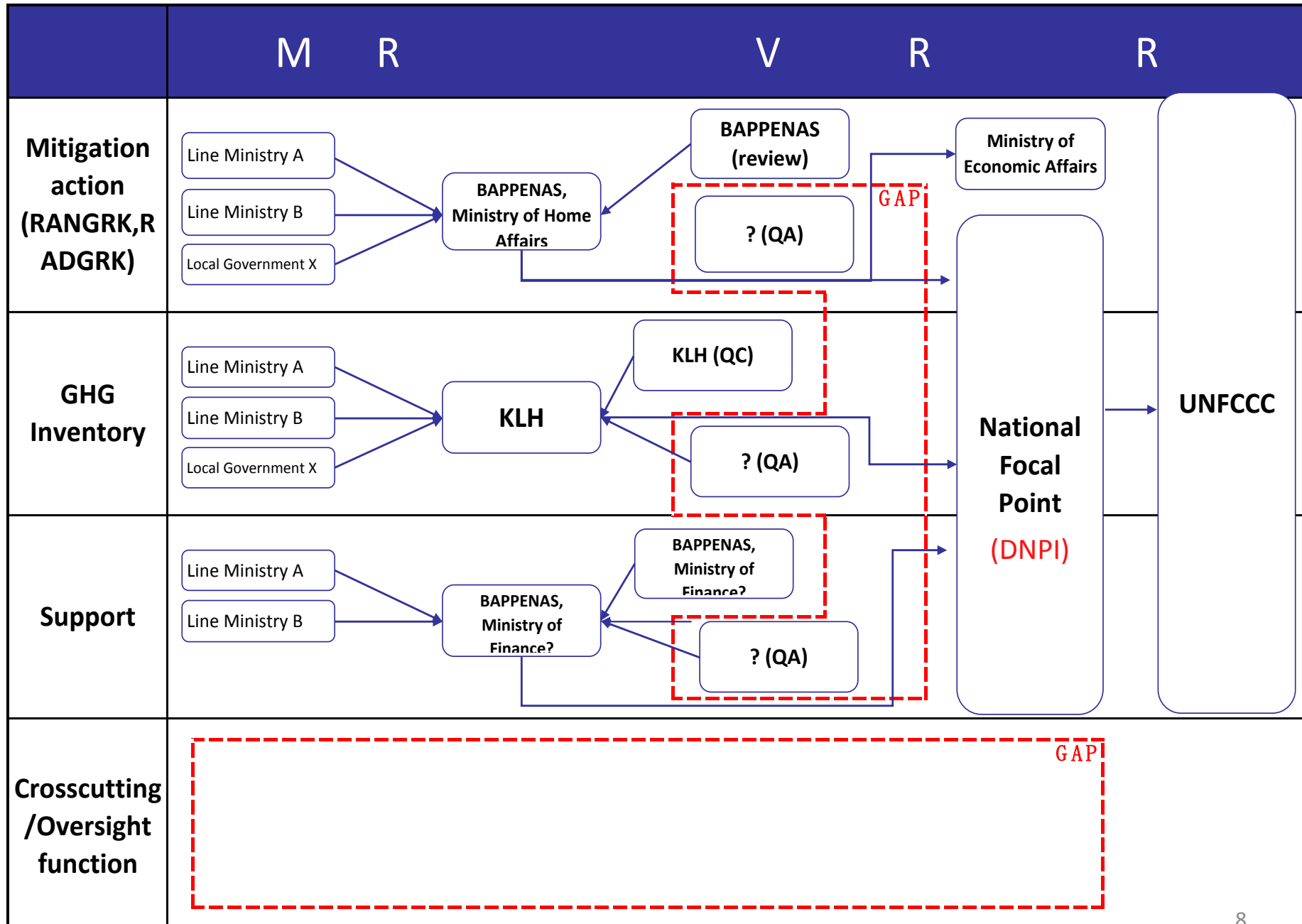
Key Features of Envisaged MRV Agency

- The proposed MRV Agency should have the technical and management capabilities to undertake planning and management of MRV processes, and overall QA/QC of the MRV components. It should coordinate and carry out its functions without conflict of interest.
- The proposed MRV Agency will coordinate the activities related to various MRV components, but will not actually perform the elements of MRV, especially taking measurements or estimating emissions. Rather, the Agency will function in an oversight capacity, streamlining and collating the various activities related to MRV.

Metrics/MRV Update (as of October 2012)

- Indonesia Carbon Accounting System (INCAS, Ausaid) – Land/Use Cover Maps (1990-2011)
- MRV for REDD+ (LOI Indonesia-Norway)
- One Map initiative – One Reference, One Standard, One Database, One License
- MRV under proposed Bilateral Offset Mechanism (BCOM, Japan-Indonesia) – 32 feasibility studies
- MRV under CDM Programs
- Peatland and Peatland Mapping under Indonesia Climate Change Center (www.iccc-network.net, Indonesia-US)

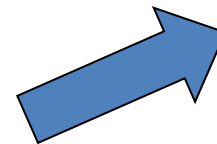
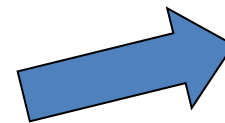
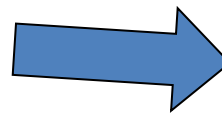
4.2. Workflow of MRV components: A gap exists in the third party review of the MRV components.



4.5. Gaps and needs: there is a need to designate or establish an agency/department to be responsible for oversight of the MRV processes and overall QA/QC

GAPS

- Mitigation actions
 - human resources and technical capacity.
- GHG inventory
 - institutional issues
 - human resources and technical capacity
- Support
 - Clear Agency responsible for support is unclear
- Overall/Crosscutting
 - planning and management of the MRV components (the BUR)
 - Overall QA/QC



NEEDS

Existing Departments should strengthen the institutional capacity to manage the Mitigation actions/GHG inventory preparation

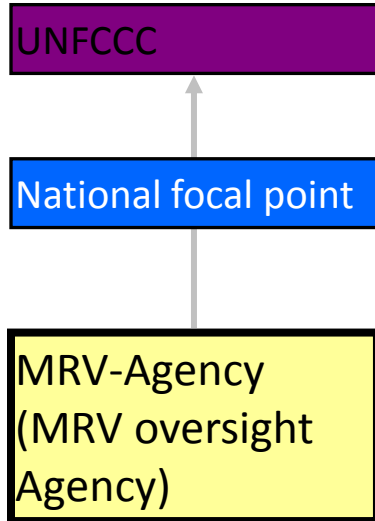
An Agency should be clearly appointed to be responsible for compiling the support information for the BUR.

An Agency/department should be designated or established to be responsible for oversight of the MRV processes and overall QA (independent review)/QC (internal check)

Proposed Feasible Options

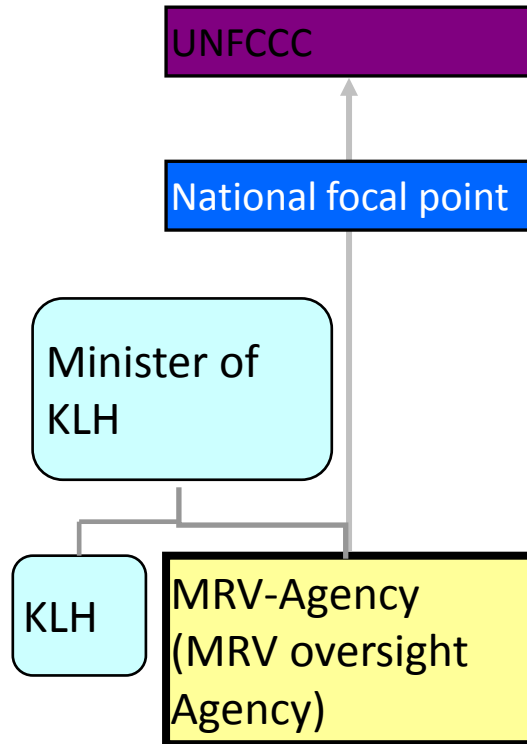
Option 1

Establish a new independent MRV Agency in charge of oversight of BUR, NC process and the overall responsibility of V (or QA/QC)



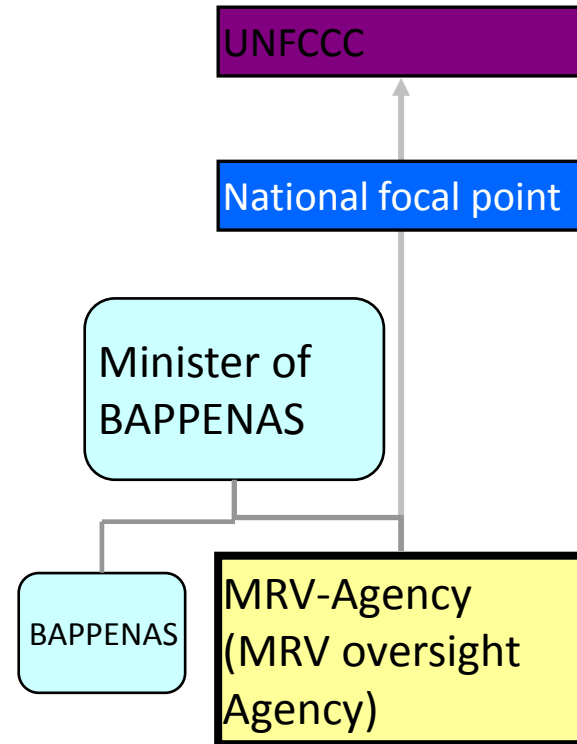
Option 2

Establish a new MRV Agency under KLH



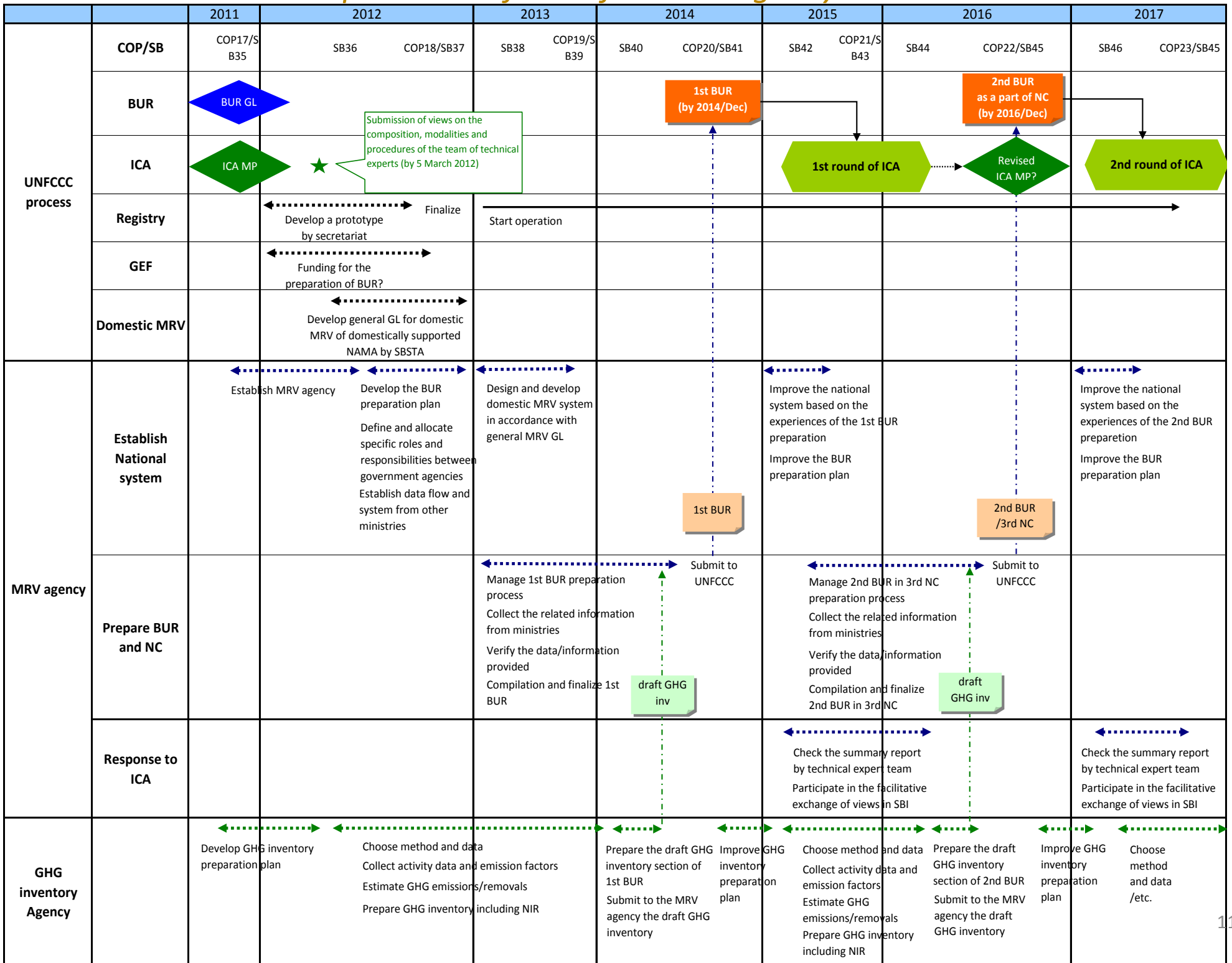
Option 3

Establish a new MRV Agency under BAPPENAS



Notes:
National Focal Point:
National Council on Climate Change
KLH: Ministry of Environment
BAPPENAS: National Planning Agency

5.4. Proposed timeframe for MRV Agency establishment



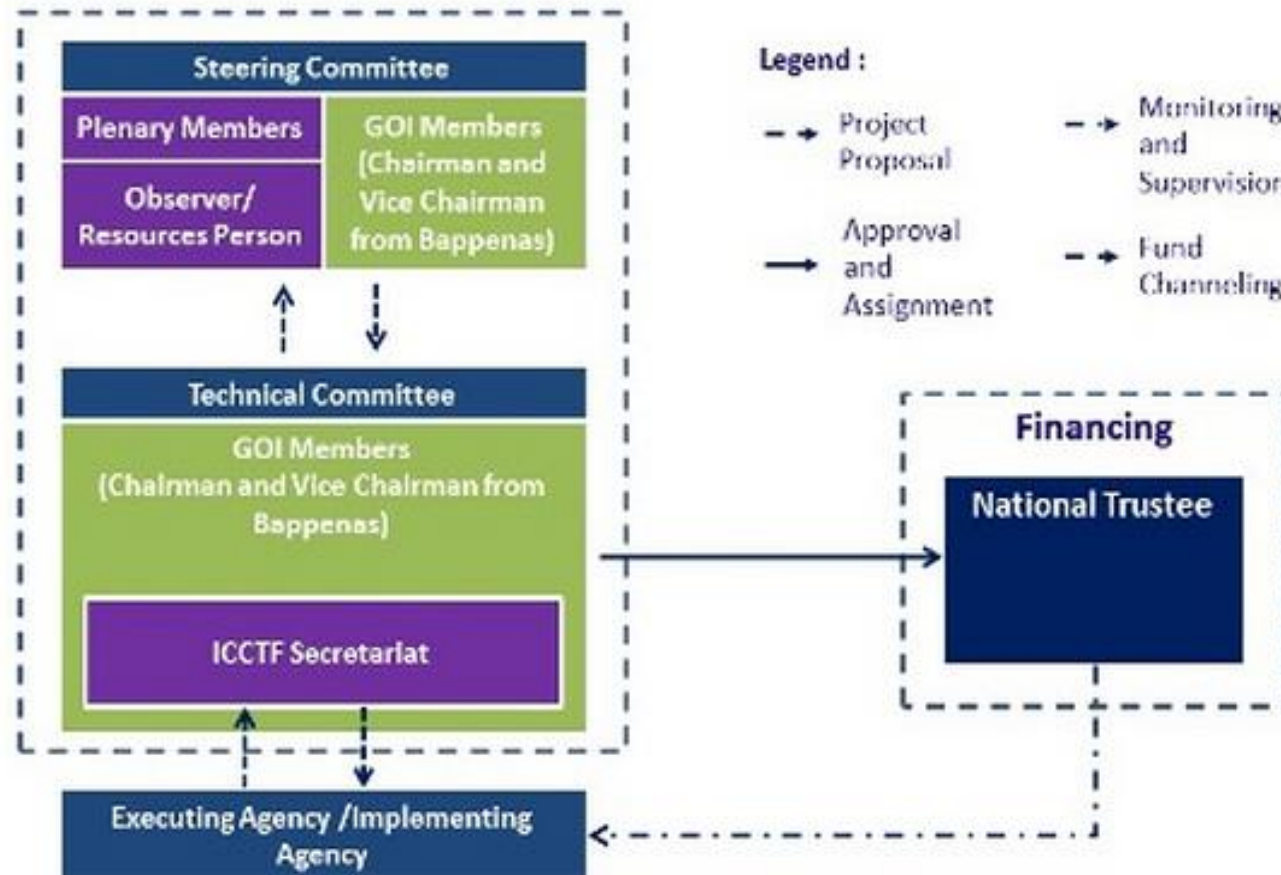
On Finance – Defining Climate Finance

- **Indonesia Climate Change Sectoral Roadmap (ICCSR, Bappenas, 2009).** Nine sectors of importance to Indonesia's development were chosen as the focus of ICCSR: forestry, energy, industry, agriculture, transportation, coastal area, water, waste and health. The analysis in the document was aimed at providing input to the 5-year Medium-term Development Plan (RPJM) 2010-2014 and the subsequent national plans until 2030.
- **Green Paper: Economic and Fiscal Policy Strategies for Climate Change Mitigation in Indonesia, Ministry of Finance and Australia Indonesia Partnership, (Ministry of Finance (2009),)** The Green Paper identifies economic and fiscal policy strategies for climate change mitigation – that is, reducing emissions of carbon dioxide and other greenhouse gases – and how to do this in the most cost effective way. It lays out strategies for the Ministry of Finance for efficient and effective policies, both in the short term and the long term. The paper is grounded in economic principles, and applies emerging international experience to Indonesia's circumstances.
- **Indonesia's Green House Gases Cost Curve (DNPI, 2010).** Analysis of the potential benefits and indicative costs of various GHG emissions abatement measures suggests that by 2030, Indonesia has the potential to reduce its GHG emissions by 2.3 Gt, representing a reduction of approximately 72 percent compared to the current trend. Thus, emissions in 2030 would be 67 percent lower than emissions in 2005. Such a reduction would be an important contribution to global efforts, amounting to some 7 percent of the total global reduction required by 2030 to reach the levels recommended by the Intergovernmental Panel on Climate Change (IPCC).
- **Low Carbon Growths Strategy (LCGS) at provincial level (DNPI, 2010)**
- **Low Carbon Development Options (DNPI, Ministry of Finance and World Bank, 2010).** potential mitigation activities and incentive framework in the areas of manufacturing industry, energy, forestry and transport.
- **National Action Plan on Greenhouse Gases Emission Reduction: First Mitigation Fiscal Framework (ministry of Finance, October 2012).**

On Finance – Institutional Dynamics

- 2008 - Working Group of Financial Mechanism under the National on Climate Change (DNPI, www.dnpi.go.id). The WG on Finance lead negotiation on finance for UNFCCC and other international forums related to climate change. It helps Indonesia to bridge the progress and outcome of negotiation at the international level and the inputs and follow-ups at the national level.
- **2009. Indonesia Climate Change Trust Fund (ICCTF, www.icctf.or.id)**. ICCTF aims at To achieve Indonesia's goals of a low carbon economy and greater resilience to climate change.
- **2011 (?) Centre of Policy Development for Climate Change Financing and Multilateral Affairs**(Ministry of Finance). Center To enable the GOI to increase the effectiveness and impact of its leadership and management in addressing climate change issues
- **2011 (?) Informal Forum**.The Ministry of National Development Planning (Bappenas) which coordinates international development financing set up an informal, non-structural forum to facilitate better communication and coordination between donor countries and GOI represented by key agencies such as DNPI, Bappenas, Ministry of Finance, Ministry of Environment and line ministries. This forum meet twice a year and is co-chaired by the Vice Minister of National Development Planning and Head of Secretariat of DNPI.
- **2012. Fund for REDD+ in Indonesia, FREDDI**, is a fund of funds. It is a fund that invests in other funds. It is being established using Presidential Decree No. 80/2011 on Trust Fund as a public trust fund. The funds underneath FREDDI, the subsidiary funds, can be special-purpose vehicle companies, fund managers, or collective investment agreements.
- **2012. Association of Indonesia Carbon Management (APKI)**, an independent entity comprising local companies of CDM project developers and individual experts in carbon market.

On Finance: Indonesia Climate Change Trust Fund (ICCTF)



Coordination Mechanism of ICCTF

Primary Sectors

- Mitigation: energy and mining, and forestry
- Adaptation: agriculture, coastal areas (including small island, marine life and fisheries)

Secondary Sectors

- Road infrastructure , water, health, waste management, transportation, industry.

Challenges

- Translating of global negotiations under convention to national/sub-national and vice versa due to limited time: national (2012-2014), international (2012-2015)
- Systematic knowledge management of the “lesson learnt”
- “Proof of Concept” in various potential sectors
- Developing strategic policy measures and capacity building to response the on-going institutional dynamics
- Stakeholder engagement i.e public-private scheme?