

Strengthening the Capacity of Institutions in Indonesia to comply with the Transparency Requirements of the Paris Agreement (CBIT)

Part I: Project Information

GEF ID

10308

Project Type

MSP

Type of Trust Fund

GET

CBIT/NGI

☒ CBIT

☐ NGI

Project Title

Strengthening the Capacity of Institutions in Indonesia to comply with the Transparency Requirements of the Paris Agreement (CBIT)

Countries

Indonesia

Agency(ies)

UNDP

Other Executing Partner(s)

Ministry of Environment and Forestry, Indonesia

Executing Partner Type

Government

GEF Focal Area

Climate Change

Taxonomy

United Nations Framework Convention on Climate Change, Climate Change, Focal Areas, Nationally Determined Contribution, Enabling Activities, Paris Agreement, Capacity Building Initiative for Transparency, Mainstreaming adaptation, Climate Change Adaptation, Strengthen institutional capacity and decision-making, Influencing models, Transform policy and regulatory environments, Academia, Civil Society, Stakeholders, Non-Governmental Organization, Information Dissemination, Type of Engagement, Consultation, Awareness Raising, Communications, Gender-sensitive indicators, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Capacity Development, Gender results areas, Knowledge Generation and Exchange, Knowledge Generation, Capacity, Knowledge and Research, Indicators to measure change, Learning, Knowledge Exchange

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 2

Climate Change Adaptation

Climate Change Adaptation 1

Duration

48 In Months

Agency Fee(\$)

180,500.00

Submission Date

7/11/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCM-3-8	GET	1,900,000.00	1,000,000.00
	Total Project Cost (\$)	1,900,000.00	1,000,000.00

B. Indicative Project description summary

Project Objective

To strengthen Indonesia's technical and institutional capacity, to meet the Paris Agreement on Climate Change Enhanced Transparency Framework (ETF) requirements when implementing priority actions for achieving its Nationally Determined Contributions (NDC) and its goals related to low carbon emission development

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)

Component 1: Institutional capacity strengthening for climate transparency	Technical Assistance	<p>1.1.Strengthened institutional arrangements for climate transparency</p> <p>1.2. Capacitated government and non party stakeholders to establish long-term strategy and access to financial resources, capacity building and technology transfer</p>	<p>1.1.1. Institutionalized Climate Transparency mechanism/ unit established</p> <p>1.1.2. Regional Network for Monitoring and Public Awareness developed</p> <p>1.2.1. Gap analysis on Gender Equality conducted</p> <p>1.2.2. Long-term strategy on the access to financial resources, capacity building and technology transfer developed</p> <p>1.2.2. Knowledge shared among key stakeholders</p>	GET	400,000.00	200,000.00
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Component 2: The development and establishment of robust systems for GHG inventory, and to Measure, report and verify (MRV) emissions in compliance with the Paris Agreement	Technical Assistance	2.1 Enhanced Quality Assurance (QA)/ Quality Control (QC) and verification processes as well as adoption of improvement plans.	<p>2.1.1. GHG inventory reviews conducted to validate approaches and results</p> <p>2.1.2. Robust activity data and nationally appropriate emission factors enhanced</p> <p>2.1.3. QA / QC plan for national inventories strengthened.</p> <p>2.1.4. Plan to continuously improve the quality of the the GHG inventory developed and adopted</p> <p>2.1.5. Capacity of key stakeholders strengthened in the areas of GHG inventories and the use of the IPCC 2006 guidelines.</p>	GET	430,000.00	200,000.00
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Component 2: The development and establishment of robust systems for GHG inventory, and to Measure, report and verify (MRV) emissions in compliance with the Paris Agreement	Technical Assistance	2.2 Strengthened domestic MRV System	<p>2.2.1 Sectoral interfaces for domestic MRV system and improved data collection design engineered.</p> <p>2.2.2 MRV systems piloted at sub-national level</p>	GET	450,000.00	250,000.00
Component 3: Strengthened NDC Implementation and Tracking Progress	Technical Assistance	3. Progress tracking tool on NDC and transparency in place	<p>3.1. Review of information provided in the NDC undertaken, including the quality of baseline projections.</p> <p>3.2. Methodologies to track progress in the implementation of NDCs and transparency developed and implemented</p> <p>3.3. Capacity for managing the tracking tool methodology of the NDC among key national institutions developed.</p> <p>3.4. Implementation of the National Registry for tracking the progress of the</p>	GET	450,000.00	250,000.00

NDC (Registration,
Validation and
verification)
strengthened

3.5. On-going
participation
established in East
Asia and globally in
exchanges involving
best practice and
capacity for
transparency

	Sub Total (\$)	1,730,000.00	900,000.00
Project Management Cost (PMC)			
	GET	170,000.00	100,000.00
	Sub Total(\$)	170,000.00	100,000.00
	Total Project Cost(\$)	1,900,000.00	1,000,000.00

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Environment and Forestry	In-kind	Recurrent expenditures	650,000.00
Recipient Country Government	Ministry of Industry	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Ministry of Agriculture	In-kind	Recurrent expenditures	120,000.00
Recipient Country Government	Ministry of Energy and Mineral Resources	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Ministry of Transportation	In-kind	Recurrent expenditures	30,000.00
			Total Project Cost(\$)	1,000,000.00

Describe how any "Investment Mobilized" was identified

n/a

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Indonesia	Climate Change	CBIT Set-Aside	1,900,000	180,500	2,080,500.00
Total GEF Resources(\$)					1,900,000.00	180,500.00	2,080,500.00

E. Project Preparation Grant (PPG)
PPG Required



PPG Amount (\$)				PPG Agency Fee (\$)			
50,000				4,750			
Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Indonesia	Climate Change	CBIT Set-Aside	50,000	4,750	54,750.00
Total Project Costs(\$)					50,000.00	4,750.00	54,750.00

Core Indicators

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	250	250		
Male	250	250		
Total	500	500	0	0

Part II. Project Justification

1a. Project Description

1. GLOBAL ENVIRONMENTAL PROBLEMS, ROOT CAUSES AND BARRIERS

The Paris Agreement, adopted at the 21st Conference of Parties (CoP) in December 2015, sets out a global action plan that puts the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.

It makes reference to the contributions to Nationally Determined Contributions (NDC) that each individual country should make to achieve the worldwide goal set of reducing emissions of greenhouse gases (GHG). As part of this Agreement, all countries agreed to an enhanced transparency framework for action and support (Article 13), with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience.

The purpose of the framework for transparency of actions is to provide a clear understanding of climate change action in light of the objective of Article 2 of the Convention, including clarity and tracking of progress towards achieving Parties' individual NDC, and Parties' adaptation actions, including good practices, priorities, needs and gaps, to inform the global stock take under Article 14 of the Paris Agreement.

The Government of Indonesia (GoI) has targeted to reduce GHG emissions and enhance its capacity in sustainable development. The President of Indonesia stated at the G20 Summit in September 2009 and reiterated at UNFCCC COP 15/CMP 5 in December 2009 that by 2020, Indonesia will reduce emissions by 26% unilaterally and up to 41% with international support.

Ratification - international climate framework:

GoI has played its role as a partner with the international community to forge a common solution to address future climate change. Indonesia ratified the UNFCCC through Act No. 6 of 1994 concerning the Ratification of UNFCCC. As a non-Annex I party, despite not having obligation to reduce its GHG emission level, Indonesia is taking part in the effort to stabilize GHG concentration and reports the main sources of GHG emission and climate-change related activities to the UNFCCC. Indonesia has also ratified the Kyoto Protocol through Act No. 17 of 2004 on the Ratification of Kyoto Protocol to UNFCCC. The country has adopted the Doha Amendment to the Kyoto Protocol on 6th August 2014 and submitted it to the UNFCCC Secretariat on 30th September 2014. On 24th October 2016, Indonesia ratified the Paris Agreement through Act No.16 of 2016 concerning the Ratification of Paris Agreement to UNFCCC. Indonesia has submitted the Intended Nationally Determined Contributions (INDC) to the Secretariat UNFCCC on 24th September of 2015. The INDC was then reformulated into the First of Nationally Determined Contribution (NDC) in 2nd October 2016.

The Country has also successively submitted its first, second and third National Communications on Climate Change, respectively in the years 2001, 2010 and 2018 as well as its and its first Biennial Update Report submitted in 2016. The Government of Indonesia also submitted its BUR2 to the UNFCCC on 21 December 2018 (<https://unfccc.int/BURs>).

Indonesia's Nationally Determined Contribution (NDC):

Indonesia's NDC outlines the country's transition to a low carbon and climate resilience future. The NDC describes the enhanced actions and necessary enabling environment during the 2015-2019 period that will lay the foundation for more ambitious goals beyond 2020, contributing to the concerted effort to prevent 2°C increase in global average temperature and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Reflective of their importance to the national, economy agriculture, forestry and land-use sectors feature prominently in the NDC. Energy, Forestry and land use are highlighted as key sectors for mitigation action with specific reference made to the need for MRV and data quality (RKTN (Rencana Kehutanan Tingkat Nasional 2011-2030/National Forestry Plan 2011-2030)). Food insecurity more broadly was highlighted as a priority for adaptation action including activities to identify, coordinate and monitor projects that address climate risks to food security.

The implementation of the NDC requires improved institutional coordination and a robust system for capturing precise data and information that is accurate and credible in reporting on GHG inventories (e.g. by sources and sinks).

Indonesia has made significant progress in reporting on its GHG emissions, however it needs to have systems in place to track progress in achieving NDCs across priorities covering the full range of mitigation and adaptation actions in the agriculture, forestry and land use and related subsectors (e.g. livestock, energy and water).

Gol has started taking steps to prepare for NDC implementation. Gol has taken significant steps to reduce emissions in land use sector by instituting a moratorium on the clearing of primary forests and by prohibiting conversion of its remaining forests by reducing deforestation and forest degradation, restoring ecosystem functions, as well as sustainable forest management which include social forestry through active participation of the private sector, small and medium enterprises, civil society organizations, local communities and the most vulnerable groups, especially Adat communities (Indonesia: *Masyarakat Hukum Adat*, internationally known as Indigenous People), and women – in both the planning and implementation stages.

Gol developed a strategy for NDC implementation which includes concrete delivery mechanisms and measures linked to existing and planned sectoral mitigation activities and potential needs for policy and regulatory development/change/reforms to ensure timely and effective implementation for all sectors. Resource and investment plans were elaborated in order to understand what resources in terms of capacity building, technology and finance are required to implement the Indonesia's NDC and monitoring its implementation progress. The NDC implementation strategy consists of (1) ownership and commitment development, (2) capacity development, (3) enabling environment, (4) communication network and framework development, (5) One GHG Data Policy, (6) Intervention programme, planning, and policy development, (7) NDC Implementation Guidelines development, (8) NDC implementation, and (9) NDC review and monitoring.

For the Forestry and Land Use sectors, the National REDD+ Strategy policies and measures are seen as key elements of the Government's future program to implement the NDC. The proposed CBIT project would be one of the first projects in Indonesia designed to specifically support implementation of core elements of Indonesia's NDC.

Overall, the need for action to address climate change in the energy, agriculture and land-use sectors is of particular importance in Indonesia as they are also a key source of GHG emissions in Indonesia (The Roadmap of Indonesia's Forest Business Association (APHI) 2050). The sectors' contributions to national economy is significant yet the sectors are facing considerable threats by climate change. Meanwhile climate actions in agriculture, forestry and land-use sectors are identified as key opportunities by Indonesia NDC. Addressing the capacity gaps and needs identified above will require improved institutional coordination and a robust system in place to monitor progress in achieving NDC goals across sectors and sub-sectors.

2. BASELINE SCENARIO

Country Context:

Indonesia is located between 7o44'35.11"North latitude and 13o55'59.99" South latitude, and stretches from 91o38'25.55" West longitude to 144o24'00" East longitude. It lies between the Pacific and the Indian Oceans and bridges two continents: Asia and Australia.

The country covers a total of approximately 820 million hectares (ha), with a total coastline length of about 95,181 km and land territory of about 200 million ha. It consists of approximately 13,466 islands of which only six thousands are inhabited, including the five main Islands of Sumatera, Java, Kalimantan, Sulawesi and Papua. Of the 200 million ha of land territory, the four largest land cover types are Lowland Forest with nearly 42 million ha (accounted for 22.58% of the National Land Cover) (Geospatial Information Agency of Indonesia, BIG, 2014), Upland Forest, Shrub, and Seasonal Crop on Dry Land. Administratively, since 2013, the Republic of Indonesia is divided into 34 provinces.

Monsoon dominates Indonesia's climate, which gives a degree of homogeneity across the region. Indonesia lies across the range of the Inter-Tropical Convergence Zone (ITCZ) where the northeast and southeast trade winds penetrate the doldrums. Strong ascending motion, overcast skies, strong squalls, heavy rainfall and severe local thunderstorms with variable intensities are characteristics of this zone.

Over the past four decades, Indonesia's population has been continuously increasing from 119.21 million in 1971, to 252.16 million in 2014. However, its annual growth rate appeared to be decreasing from 1.98% (1980-1990) to 1.38% (2010-2015). The population is projected to reach an estimation of 305 million by 2035. Life expectancy in Indonesia has improved significantly in the past four decades, from only 47.9 years in 1970 to 70.6 years in 2014. In education sector, as the result of sustained efforts, adult literacy has increased significantly from only 79% in 1970 to 95.9% in 2014.

Indonesia has been showing a steadily increasing trend in alleviating poverty. In 2005, the number of people living in absolute poverty declined from 47.97 million people in 1999 to 35.10 million people, while people living in relative poverty declined from 23.43% in 1999 to 15.97% in 2005. The number of people living in poverty increased slightly in 2006 due to fuel price increased but since then the number continued to decline until 2014. Between the periods of 2006-2014, the number of people living in poverty dropped as much as 11.02 million, from 39.30 million in 2006 to 28.28 millions in March 2014. By the end of 2014, the number of poor people about 27.7 million (11% of the population).

Institutional Arrangements on climate change and MRV:

At present, based on Presidential Regulation Number 16/2015 regarding the Ministry of Environment and Forestry (MOEF), the MOEF has a responsibility to manage any environment and forestry related matters, address relevant issues and report them to the President of the Republic of Indonesia. In compliance with the task, the Minister of Environment and Forestry is responsible for ensuring the establishment, implementation, and monitoring and evaluation of climate change-related matters.

In line with the Presidential Regulation Number 16/2015, the Minister of Environment and Forestry established Decree Number P.18/MenLHK-II/2015 regarding the Organization and Mechanism of Ministry of Environment and Forestry: **The Minister of Environment and Forestry assigned to the Director General of Climate Change to establish and assure the implementation of regulatory framework concerning mitigation, adaptation, greenhouse gas (GHG) emissions reduction, ozone depleting substances (ODS) reduction and phase-out, resources mobilization, GHG inventory, climate change monitoring, reporting and verification (MRV), and area and forest fire control.**

The Director General of Climate Change is the National Focal Point (NFP) for the UNFCCC, Kyoto Protocol and the Paris Agreement to the UNFCCC. In order to sustain the implementation of climate action, Indonesia established more structured institutional arrangements as an integral part for implementation of the First NDC. To strengthen the process, each ministry that is assigned the responsibility to achieve the sectoral emission reduction target and adaptation action, assigned a dedicated unit to coordinate, monitor and evaluate the implementation of NDC. The DG employs 419 civil servants.

For the implementation of the National Communications and Biennial Update Reports, the Government of Indonesia established the following Institutional Arrangement (Figure 1):

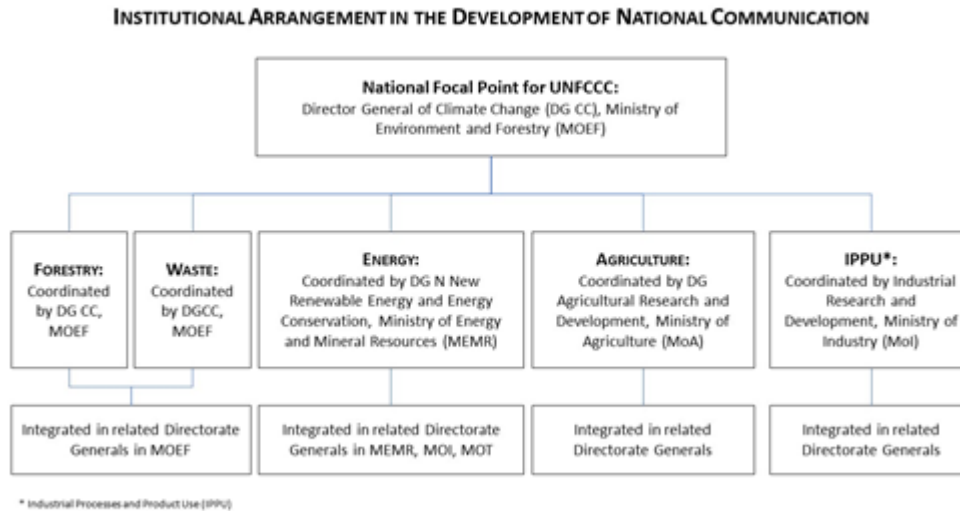


Figure 1: Institutional arrangements in the development of NCs and BUR

In term of GHG inventory (GHGI) elaboration, as stated in the Third National Communication and referring to Presidential Regulation number 71/2011, each ministry/ agency involved in Climate Change has assigned a specific unit to implement national GHGI. Sub national institutions also have responsibility to work on the GHG inventory. To simplify the situation, the Ministry of Environment and Forestry has established a simple, easy, accurate and transparent national GHG inventory called as *Sistem Inventarisasi GRK Nasional* or **National GHG Inventory System** (simply called as **SIGN SMART**).

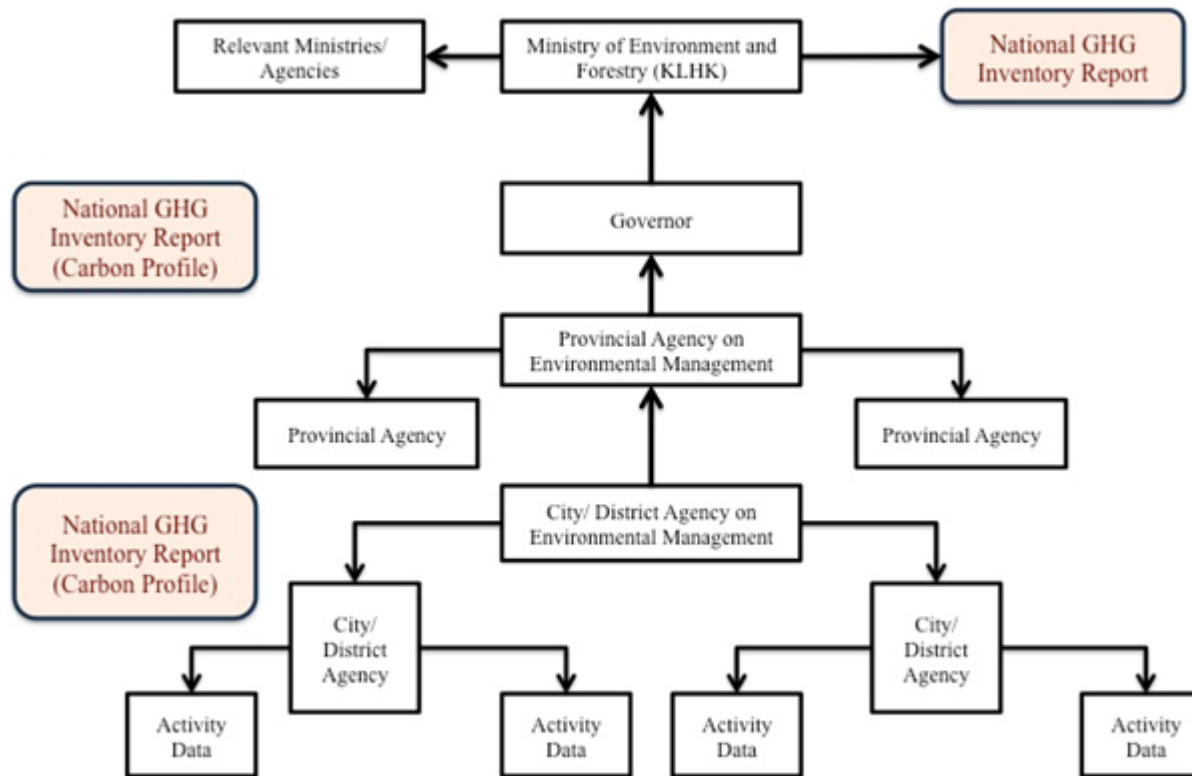


Figure 2: GHG Inventory Institutional Arrangement from sub-national to central level

Through this system, the Ministry of Environment and Forestry has the ability to monitor the flow of (a) data/information collection and analysis and (b) preliminary GHG calculation from sub-national level (local government), other ministries/ government agencies and non government (including private sector) to the central office (Ministry of Environment and Forestry). It provides practices for relevant institutions, particularly at sub-national level, in managing activity data to the development of GHG Inventory.

Further, experts sit in a Steering Committee and are involved in Sectoral Working Groups to coordinate the development of GHG inventory, archiving system, QA/QC and finalize the GHG Inventory prior to the GHG inventory report publication, as illustrated in Figure 3.

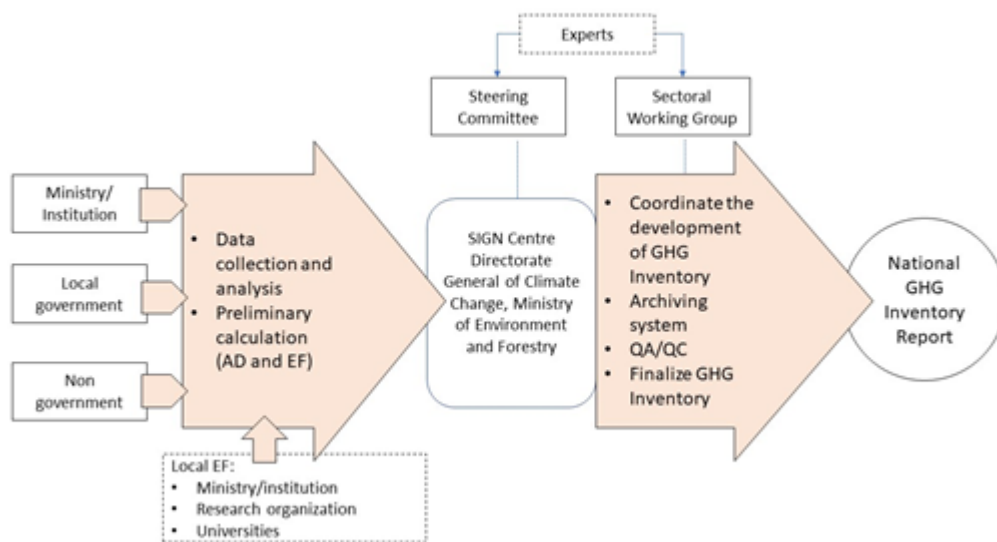


Figure 3: Institutional mechanism for the National GHG Inventory System (SIGN)

These experts are selected national consultants from universities, technical institutes, and research agencies. Most of them have been exposed to international networks on climate change. Sectoral Working Groups are divided into these following working groups:

1. GHG Emissions from Energy – under this group, these following institutions/ agencies/ companies have responsibility to share (report) their data/ information:
 - 1.1. Ministry of Energy and Mineral Resources (MEMR)
 - 1.2. Ministry of Transportation (MoT)
 - 1.3. Ministry of Industry (Mol)
 - 1.4. Statistics Indonesia (BPS)
 - 1.5. Major companies/ industries: Oil and Gas companies, State Electricity Company (PLN), Independent Power Producer (IPP), Private Power Utility (PPU), Excess Power and IO
2. GHG Emissions from Industrial Processes and Product Use (IPPU) – under this group, these following institutions/ agencies/ companies have responsibility to share (report) their data/ information:
 - 2.1. Mol
 - 2.2. MEMR

2.3. Major companies/ industries

2.4. Ministry of Environment and Forestry (MOEF or KLHK)

3. GHG Emissions from Waste Management Municipal Solid Waste (MSW) - under this group, these following institutions/ agencies/ companies have responsibility to share (report) their data/ information:

3.1. MOEF

3.2. Ministry of Public Works and Housing (MPWH)

3.3. Mol

3.4. BPS

4. GHG Emissions from Agriculture, Forestry and Other Land Use (AFOLU) – under this group, these following institutions/ agencies/ companies have responsibility to share (report) their data/ information:

4.1. Ministry of Agriculture (MoA)

4.2. BPS

4.3. Geospatial Information Agency

4.4. National Institute of Aeronautics and Space (LAPAN)

Legal and Regulatory Framework on Climate Change

Prior to the COP 13 in Bali, the Ministry of Environment in December 2007 issued the National Action Plan on Climate Change (**RAN-PI**) describing the climate change policies and short-medium-long term climate change programmes. This document was further refined by the National Development and Planning Agency (BAPPENAS) and adopted into the “National Development Planning: Indonesia responses to climate change” also known as the ‘Yellow Book.’

In 2010, BAPPENAS developed a policy framework for climate change, i.e., Indonesia Climate Change Sectoral Roadmap (**ICCSR**), which laid down the principles, approaches and priorities to mainstream climate change adaptation and mitigation into development planning. This was to bridge the National Action Plan on Climate Change into a 5 year Mid-Term Development Plan (RPJMN) for 2010-2014, and to provide inputs for the subsequent RPJMN until 2030.

Presidential Regulation No. 61/2011 concerning the National Action Plan for Greenhouse Gas Emission Reduction (**RAN-GRK**) set an emission reduction target of 26% with domestic efforts or up to 41% with international support under the reference emission level, by 2020. Prior to the COP 21 UNFCCC in Paris, the GoI has conducted a review of Indonesia’s baseline emissions and referred in post-2020 emission reduction target under the INDC in 2015 and under the First NDC in 2016.

RAN-GRK is a guidance to:

- line ministries in planning, implementing, monitoring, and evaluating the national action plan of GHG emission reduction;
- provincial governments in formulating regional action plan for reducing GHG emission, and
- a reference to community and private sector in planning and implementing GHG emission reduction.

In the same year, GoI also issued Presidential Decree No. 71 Year 2011 in “**Conducting National GHG Inventory**” with the objective to provide regular information on level, status, and trend of GHG emissions and removals, including carbon stock at national, provincial, and municipal level; and to provide information on GHG emission reduction achievements of national climate change mitigation actions.

There are a number of governmental programs and initiatives linked to the above mentioned legal documents:

Adaptation: The Government of Indonesia has developed a National Action Plan for Adaptation to Climate Change (**RAN-API**). This is directed to build economic resilience, to establish livelihood resilience, to maintain environmental service resilience, to strengthen special areas (e.g. urban, coastal and small islands) resilience, and to strengthen supporting systems (e.g. knowledge management, capacity building, planning and budgeting, monitoring and evaluation). As a guideline for preparing climate change adaptation (CCA), the MoEF issued a legal basis for Devising Climate Change Adaptation through a ministerial decree No.P33/2016 as a guidance derived in accordance to the Law No.32/2009 on Environmental Management.

There are examples of mainstreaming CCA into development plan involved multistakeholders, such as the Asian Cities Climate Change Resilience Network (ACCCRN) programs and TA ADB and Ministry of Environment in mainstreaming climate change adaptation into RPJMD, RTRWD and RKP in several cities (i.e. Cities of Lampung, Semarang, Cirebon, Blitar, Probolinggo, Pekalongan, Bandung, and Tarakan) and also support from the TA ADB Project including from the development of the Third National Communication (Districts of Bandung, Indramayu, Kerawang, Purwakarta, Tanah Toraja, Ciamis, Bandung).

Mitigation: Since Indonesia voluntarily pledged to reduce emissions by 26% on its own efforts, and up to 41% with international support, against the business as usual scenario by 2020, Indonesia has promulgated relevant legal and policy instruments, including the national action plan on GHG emissions reduction as stipulated in Presidential Regulation (PERPRES) No. 61/2011 and GHG inventory through Presidential Regulation (PERPRES) No. 71/2011.

In accordance with the President Regulation Number 16/2015 regarding the Ministry of Environment and Forestry, the Director General of Climate Change has responsibility to conduct GHG inventory, Climate Change Monitoring, Reporting and Verification (MRV). In the meantime, as stipulated in the Decree of Minister of Environment and Forestry Number P.18/MenLHK-II/2015 regarding MOEF Organization and Mechanism, the Directorate of GHG Inventory is tasked with formulating and implementing policies, technical assistance, and program evaluation for the GHG inventory and MRV.

Recently, in 2015, in view of COP21, Indonesia has elaborated its low carbon development strategy/NDC. Through its NDC Indonesia is committed to (i) achieve a mitigation target of 29 to 41 percent of its business as usual (BAU) (base year 2012) by 2030; (ii) increase up to 23 percent in 2025 the part of renewable energy (including hydroelectricity) in the national energy mix; (iii) implement its REDD+ strategy; (iv) reduce its Short-Lived Climate Pollutants (SLCPs); (v) develop adaptation strategies in selected vulnerable sectors.

For the development of REDD+ in Indonesia is in line with international guidance for REDD+ as per decisions resulted in COPs since COP 13 in Bali to COP 19 in Warsaw. Within this development process, policy interventions, regulations and actions related to REDD+ have been developed by the government of Indonesia. REDD+ activities in Indonesia has the potential to reduce emissions up to 70% of total planned emissions reduction in the land-based sector.

Key Inputs from Indonesia's National Communications and Biennial Update Report

As one of Non-Annex I Parties, Indonesia submitted the First National Communication (NC1) on 27 October 1999, NC2 on 14 January 2011 and NC3 on 14 February 2018 (original submission was 31 January 2018). The country submitted its BUR1 on 18 March 2016. Through those initiatives, Indonesian stakeholders have better technical capacity, institutional arrangement at national and local levels, and capacity to assess environmental, social and economic impacts and implement the results through the perspective of climate change mitigation and adaptation policies.

The Government of Indonesia submitted its BUR2 to the UNFCCC on 21 December 2018 (<https://unfccc.int/BURs>). Meanwhile, the country is currently submitting a PIF via UNDP meant to develop and establish NC4, BUR3 and BUR4 documents that will be submitted to UNFCCC in the end of four-year-implementation.

Through the process of NCs and BUR development, an initial group of stakeholders has been capacitated further to understand how to conduct quality assurance and quality control; coordinate functional institutional mechanism, document GHG emission estimation and validate work developed by identified focal points (or working group/special division dedicated to GHG inventory) within each relevant ministry; establish general guideline on Inventory of GHG and guideline for organizing inventory; conduct training for technical staff from relevant sectors in the development of GHG Inventory; and establish functional institutional arrangements (capacities and mechanisms) for developing GHG inventories at local agencies by identifying a focal point working group in each province.

The accuracy of the GHG inventory has also been improved by improving stakeholders' capacity to use improved methodologies for estimating GHG emissions; develop National GHG inventories for 2000-2014 series using the 2006 IPCC Inventory guidelines; assure availability of historical and projection of climate data at national level with a resolution of 20 km x20 km with public access; assure vulnerability, climate impact analysis and adaptation assessments carried out at local level in key sectors; develop and establish adaptation policies and measures to address climate change at the local/sectoral level and integrate it into national and local planning processes; assure improved understanding of GHG emissions scenarios under BAU from sources and sinks; and future GHG mitigation options including their macro-economic impacts; assure increased capacity in measuring the achievement of GHG mitigation actions at sectoral and local level; design GHG mitigation policies and measures at national level in the context of national action plans; and update reports with information for the 2010-2013 period regarding national circumstances, national and regional development priorities, key additional information, and identified needs.

For the Third National Communication, the Indonesia National Greenhouse Gases Inventory covered the period of 2000-2014 and was estimated by methodologies that comply with IPCC Guideline (2006) for National GHG Inventories and IPCC GPG for LULUCF. GHG emission in each sector used different approach, in the energy sector was estimated following TIER 1 approach, IPPU mostly used TIER 1, while some industries used TIER 2 such as cement, ammonia, nitric acid and aluminum. The estimation for both forestry and agriculture were based on TIER 1 approach as well as the waste sector in generally still used TIER 1. In 2014, the Indonesia's total GHG emission for the three main GHG emissions (CO₂, CH₄ and N₂O), excluding LULUCF and peat fire sector estimated at approximately 864,907 Gg CO₂e (1,364,337 Gg CO₂e for all gases, including PFCs). With the inclusion of LULUCF and peat fire, the total three main GHG emissions becomes 1,844,329 Gg CO₂e. The main contributing sector (three gases) were LULUCF including peat fire (53%), followed energy (33%), agriculture (6%), waste (5%) and IPPU (3%). Carbon dioxide (CO₂) was the dominant GHG, which contributed 87%, followed CH₄ 9.7% and N₂O 3.3%.

In the period of 2000 – 2014, national GHG emissions (all gases) increased with average rate of 4.4% per year with LULUCF, and 4% per year without LULUCF. This shows that land-based sector especially forestry have significant contribution to the national GHG emissions. Meanwhile, annual increase of emission by sector was energy (5.2%), IPPU (0.7%), agriculture (0.9%), forestry (12.8%) and waste (3.6%). Overall, GHG emission from all sector trend to increase.

Key category analysis to all emission (three gases) sources with LULUCF, 20 key source categories were identified. The first three main categories are (i) peat fires, (ii) peat decomposition, and (iii) energy industries with cumulative emissions of 1,063,431 Gg CO₂e (49.1%). Meanwhile, emission sources without LULUCF, there are 17 key source categories identified, contributing 808,098 Gg CO₂e emissions. The first three main categories are (i) energy industries, (ii) manufacturing industries and construction, and (iii) transportation, with cumulative emissions of 530,849 Gg CO₂e or 62% of total emissions.

Result of the uncertainty analysis showed that overall uncertainties of the Indonesian National GHG inventory with LULUCF for 2000 and 2014 were approximately 17.6% and 19.2% respectively. Without LULUCF the level of uncertainty were lower for both years, i.e: 10.3% and 13.1%, respectively.

Indonesia's Nationally Determined Contribution (NDC), Implementation and Tracking

Indonesia submitted the First NDC in November 2016 to UNFCCC. One action that Indonesia has taken significantly to reduce emissions in land use sector is to institute a moratorium on the clearing of primary forests and prohibit conversion of its remaining forests by reducing deforestation and forest degradation, restoring ecosystem functions, as well as sustainable forest management which include social forestry through active participation of the private sector, small and medium enterprises, civil society organizations, local communities and the most vulnerable groups, especially indigenous peoples or *adat* communities (Indonesia: Masyarakat Hukum Adat), and women – in both the planning and implementation stages. A landscape-scale and ecosystem management approach, emphasizing the role of sub-national jurisdictions, is seen as critical to ensure greater and more enduring benefits from these initiatives.

REDD+ was an important component of the NDC target from land use sector. Forest Reference Emission Level (FREL) for REDD+ was submitted to the UNFCCC Secretariat in December 2015, covering deforestation and forest degradation and peat decomposition. The FREL was set at 0.568 GtCO₂e yr⁻¹ (AGB), using reference period of 1990 – 2012 and will be used as the benchmark against actual emission starting from 2013 to 2020. These figures should be used as benchmark for evaluating REDD+ performance during the implementation period (up to 2020). Indonesia will adjust the FREL for post-2020 or earlier when necessary. In energy sector, Indonesia has embarked on a mixed energy use policy. Indonesia has also established the development of clean energy sources as a national policy directive. Collectively, these policies will eventually put Indonesia on the path to de-carbonization. Government Regulation No. 79/2014 on National Energy Policy, set out the ambition to transform, by 2025 and 2050, the primary energy supply mix with shares as follows:

- a. New and renewable energy at least 23% in 2025 and at least 31% in 2050;
- b. Oil should be less than 25% in 2025 and less than 20% in 2050;
- c. Coal should be minimum 30% in 2025 and minimum 25% in 2050; and
- d. Gas should be minimum 22% in 2025 and minimum 24% in 2050.

For the waste management sector, the GOI is committed to develop a comprehensive strategy to improve policy and institutional capacity at the local level, enhance management capacity of urban waste water, reduce landfill waste by promoting the “Reduce, Reuse, Recycle” approach, and the utilization of waste and garbage into energy production. The GOI is committed to further reduce emissions from the waste management sector by 2020 and beyond, through comprehensive and coherent policy development, institutional strengthening, improved financial and funding mechanisms, technology innovation, and social-cultural approaches.

Climate change presents significant risks for Indonesia's natural resources that will, in turn, impact the production and distribution of food, water, and energy. Therefore, the GOI considers climate mitigation and adaptation efforts as an integrated concept that is essential for building resilience in safeguarding food, water and energy resources. The GOI has made significant efforts towards developing and implementing a National Action Plan on Climate Change Adaptation (RAN-API) which provides a framework for adaptation initiatives that has been mainstreamed into the National Development Plan.

The GOI will implement enhanced actions to study and map regional vulnerabilities as the basis of adaptation information system, and to strengthen institutional capacity and promulgation of climate change sensitive policies and regulations by 2020. The medium-term goal of Indonesia's climate change adaptation strategy is to reduce risks on all development sectors (agriculture, water, energy security, forestry, maritime and fisheries, health, public service, infrastructure, and urban system) by 2030 through local capacity strengthening, improved knowledge management, convergent policy on climate change adaptation and disaster risks reduction, and application of adaptive technology.

Pre 2020 policies' and actions will facilitate smooth transition towards implementation of nationally determined contribution under the Paris Agreement post 2020. The following pre 2020 policies and actions will lay a strong foundation for adaptation actions from 2020 onwards:

- a. Pre-condition: • Development of nation wide climate vulnerability index data Information System, built on the existing system known as SIDIK (Vulnerability Index Data Information System) which allows public access to the information in the system website • Ministerial Regulation No. P.33/2016 on Guideline for development of National Adaptation Plan (NAP). The regulation allows sub national government to formulate their own Sub National Adaptation Plan (Sub NAP) • Enhance existing National Action Plan on Climate Change Adaptation that has been formulated in 2014.
- b. Environment and social economic area: • Law No. 37/2014 on Soil and water conservation, which leads to Sustainable agriculture and land use. The Law guided stakeholders in conserving lands and increasing productivity towards conservation agricultural approach. • Government Regulation No. 37/2012 on Watershed Management, which leads to enhanced watershed carrying capacity. The regulation provides guideline to identify and address watersheds which need to be protected, restored, and rehabilitated. • Community Based Forest Management will enhance community income and at the same time reduce pressure on primary forest which leads to deforestation and forest degradation. • Enhance role of PROKLIM (joint adaptation and mitigation/JAM) as a bottom up approach in climate resilience programme at the village level. Furthermore, the enhanced PROKLIM will enable to account for its contribution to the achievement of emission reduction both pre and post 2020.

Transparency and NDC activities under implementation

As part of the implementation of Article 13 of the Paris Agreement, Indonesia applies an Integrated National Transparency framework, through:

- (a) National Registry System (NRS) for mitigation, adaptation and support received both from national and international sources;
- (b) National GHGs Inventory System (SIGN-SMART);
- (c) MRV system for mitigation including REDD+;
- (d) Safeguards Information System for REDD+ (SIS-REDD+); and
- (e) Information Systems on vulnerability (SIDIK) and joint adaptation and mitigation at the Village level (PROKLIM).

Supported by UNDP, the main focus of CBIT is to strengthen Indonesia's technical and institutional capacities to meet the PA's Enhanced Transparency Framework (ETF) requirement. Previous EA projects provided important starting point in terms of capacity development on institutionalized GHG inventory and MRV system including modeling and impact analysis, while the CBIT will strengthen existing capacities mainly on establishment institutionalized transparency mechanism and to enhance the quality of data and information related to the GHG inventory and MRV for achieving a successful NDC and low carbon development.

The Indonesian NDC reflected the most recent data and information, analysis, and scenario for possible future, by the Government of Indonesia. As a developing country, Indonesia will likely experience dynamic changes due to national and global economic changes. In this regards, the NDC will be reviewed and adjusted, as necessary, taking into account national circumstances, capacity and capability, and the provision under the Paris Agreement.

Indonesia is a part of Initiative for Climate Action Transparency (ICAT). It has been actively involved UNFCCC COP to share its lessons-learned and success stories.

Those below are key initiatives Indonesia has implemented/is implementing related to MRV and Transparency:

Name of Initiative	Donor	Timeframe	Remarks
1. The First National Communication to UNFCCC (NC-1)	GEF	1997-1999	· UNDP (Implementing Agency or IA) & MOE (Implementing Partner or IP)
2. NC-2	GEF	2005-2010	· UNDP (IA) & MOE (IP)
3. NC-3 & BUR1-BUR2	GEF	2013-2017	· UNDP (IA) & MOEF (IP)
4. NC-4	GEF	TBD	· UNDP (IA) & MOEF (IP) · 2019-2020 (prodoc development) · 2020-2024 (implementation)
5. Partnership for Market Readiness (PMR)	GEF	2016-2020	· UNDP (IA) & Coordinating Ministry of Economic Affairs (IP) · To develop emission and baseline profile, pilot of MRV system, and market-based instrument design.
6. Market Transformation through Design and Implementation of Appropriate Mitigation Actions in the Energy Sector (MTRE3)	GEF	2016-2020	· UNDP (IA) & MEMR (IP) · To support the design and implementation of appropriate climate change mitigation actions in the energy generation and energy end use sectors.
7. Spatial Planning for Protected Areas in Response to Climate Change (SPARC)	GEF	2013-2018	· UNDP (IA) & MOEF (IP)
8. Support to Indonesia's Climate Change Response – Technical Assistance Component (SICCR-TAC)	EU	2016-2019	· GIZ in collaboration with SNV Consortium Netherlands Development Organization and AHT Group
9. Hydrochlorofluorocarbons (HCFCs) Phase-out Management Plan (HPMP)	MLF	2013-2023	· UNDP (IA) & MOEF (IP) · Stage I: 2013-2018 · Stage II: 2018-2023
10. Climate Governance Indonesia	GIZ	2017-2021	· Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Gender and Climate Change

Limited research to date indicates that adaptive capacity varies by gender and that gender mainstreaming is more difficult to implement in rural areas of Indonesia (Adhryarini et. al. 2017). In the Third National Communication document established by Indonesia, gender issues and women's roles (participation) in climate change were not addressed in detail. The document only stated that the Ministry of Women Empowerment had been working on the gender issue in coordination with another UN Agency focusing on gender issues.

From the perspective of gender, it is generally acknowledged that women, (children and marginalized communities) are more vulnerable to the impacts of the Climate Change, meanwhile women and men have roles and responsibilities and different needs to deal with the Climate Change. The women (children and marginalized communities) are not only supposedly to be considered as the victims of the Climate Change negative impacts only. Based on different capacity, each of them has potential capacity to influence climate change policy development, implementation and monitoring and evaluation. They also have potential capacity to access resources. The perspective of gender requires both men's and women's active participation to understand the importance of gender equality in the whole process of development.

Women and children are the most vulnerable groups when exposed to the effects of climate change. At the same time, women do not have sufficient adaptive capacity to deal with climate disasters due to the lack of access, control and participation in climate change policies. This confirms the importance of gender mainstreaming in the development of climate change policies.

Through gender mainstreaming, it is intended that women will be more responsive to the issues of vulnerability and climate change policies. At the same time, it will also improve the quality of implementing climate change policies, both at national and local levels. The higher the level of gender awareness possessed, the higher the quality of climate change policies produced (Rusmadi. 2016. "Pengaruhutamakan Gender dalam Kebijakan Perubahan Iklim di Indonesia" dalam SAWWA – Volume 12, Nomor 1, Oktober 2016).

There have been several initiatives to assess the link of gender and climate change undertaken by various organizations. Most of them observed the situation from the perspective of adaptation, while there has been no discussion focusing on the gender equality in climate transparency.

It is therefore, important for the CBIT to support a gender analysis outlining the different roles and responsibilities of women and men in the climate transparency area in Indonesia. The project will, where possible, account for and apply a gender-sensitive approach to data and information collection and analysis, which will be reported in project findings and relevant publications.

Barriers and Gaps

In the constraints and gaps chapter presented in the Second National Communication, several barriers had already been highlighted such as:

- (i) Insufficient engagement of technical institutions in the implementation process of the obligations of the Convention;
- (ii) Absence or inadequacy of systems for the collection, storage and archiving of data;
- (iii) Low integration of climate change issues into the decision-making process and in development policies.

Those problems were faced again by Indonesia in the elaboration of the Third National Communication and BUR.

As stated in the Technical Analysis on Indonesia's BUR1, the TTE made the following comments, among others:

- (a) Indonesia reported very comprehensive information on national circumstances and institutional arrangements. The institutional arrangements established by Indonesia provide a good basis for the preparation of BURs on a continuous basis, in particular on GHG inventories and mitigation actions;
- (b) For 2012, aggregate emissions excluding LULUCF and peat fires amounted to 758,979 Gg CO₂ eq, while aggregate emissions including LULUCF and peat fires amounted to 1,453,957 Gg CO₂ eq. Indonesia reported the summary tables for the GHG estimates for the years 2000 and 2012 and, at the sectoral level, emission estimates for the entire time series 2000–2012, using tier 1 and tier 2 methodologies of the 2006 IPCC Guidelines. However, the information was reported in tabular format consistent with the Revised 1996 IPCC Guidelines. The GHG inventory is transparent in most of the sectoral areas, which could be enhanced, mostly by using the reporting methodology in a manner consistent with the emission estimates methodology and reporting the assumptions used and the determined country-specific values. The TTE commends Indonesia for its efforts to report a high-quality inventory, and its use of the 2006 IPCC Guidelines;
- (c) Indonesia reported extensive information on its mitigation actions, which are categorized in the context of the nature of the action: "goal-based actions" and "non-goal-based actions". Regarding the development of the MRV system, the information reported is mostly transparent, but could be further enhanced by including information on the results achieved from mitigation actions in some sectors, as well as by ensuring the verification of the results achieved reported for other sectors;
- (d) Regarding the information reported on constraints and gaps, and related financial, technical and capacity-building needs, Indonesia reported very detailed information. Concerning constraints and gaps, information is mostly related to gaps between national and local institutions, and between sectors. Information on financial needs covers international and domestic sources.

The TTE, in consultation with Indonesia, identified the following capacity-building needs:

- Support for ensuring consistency in the estimation and reporting methodologies used;
- Support for solving discrepancies in emission estimates obtained using the sectoral approach and the reference approach;
- Support for developing and implementing an MRV system;
- Support for mitigation actions, including the development of sectoral and subsectoral baseline/reference levels;
- Support for preparing national GHG inventories, in particular in the area of uncertainties.

Further, the different exercises of designing all these national documents mentioned above have revealed some challenges related to national inventory system of greenhouse gas (GHG) and the monitoring, evaluation and reporting in Indonesia. Indeed, the country has challenges with its operational system of greenhouse gas inventory including the existing monitoring, evaluation and reporting (MRV) system. That is due to:

- (i) the weak knowledge on inventory tools and methodologies of calculation as well as a weak national capacity for MRV;
- (ii) Lack of formal framework of collaboration for greenhouse gas emission inventory at the national level;
- (iii) Lack and poor quality of data collected in the priority sectors in view of greenhouse gas emission inventory;

(iv) Lack of specific emission factors for the key sectors of GHG emissions in Indonesia.

Table 1: Barriers and constraints to apply Enhanced Transparency Framework (ETF) requirements

ETF Requirements	Indonesia's Barriers and Constraints	Expected Outputs to Address Barriers and Constraints
Awareness and understanding of ETF requirements.	<ul style="list-style-type: none"> · Lack of awareness among the stakeholders regarding the Paris Agreement, the ETF and the need for enhanced transparency in monitoring and tracking of mitigation and adaptation activities 	1.1. 1.2. 1.3.
Clear and robust institutional arrangements and knowledge management structures for gathering, coordinating and ensuring sector specific information for ETF monitoring and reporting exercises.	<ul style="list-style-type: none"> · Lack of coordination amongst relevant Ministries in the gathering of data, sharing and information needed to report progress against NDC actions in the LULUCF sector and other related sectors (energy, IPPU, waste). 	1.1. 1.2. 2.1.1. 2.1.2. 2.2.1. 2.2.2.
Strong technical capacity and robust data to establish MRV systems for tracking mitigation contributions in the AFOLU sector.	<ul style="list-style-type: none"> · Lack of activity data and local emission factors · Data classification not compliant with 2006 IPCC guideline categories, particularly for LULUCF and other sectors. · Use of outdated IPCC methodologies (estimation of National GHG Inventory for the period of 2000-2014 was conducted based on the Tier 1 and Tier 2 approaches of the 2006 IPCC Guideline, which were similar approaches used in the Second National Communication). · Low technical capacity of nation 	2.1.1. 2.1.2. 2.2.1 2.2.2. 3.1 3.2. 3.3. 3.4. 3.5.

	<p>al experts to develop domestic MRV systems</p> <ul style="list-style-type: none"> · Limited capacity to put in place Quality Assurance (QA)/Quality Control (QC) and verification processes, and improvement plans · Insufficient planning and financial support for regular inventory preparation, mitigation analysis and the implementation of identified options. 	
<p>Strong technical capacity and robust information to establish M&E systems for tracking adaptation and contributions in the AFOLU sector.</p>	<ul style="list-style-type: none"> · Lack of harmonized indicator and monitoring systems for adaptation based on national priorities · Weak capacity to implement, monitor and evaluate field-level projects and activities in the LULUCF and other sectors · Insufficient relevant data and information to conduct an assessment for immediate climate change adaptation action under climatic extremes · Shortage of capable technical experts and financial resources for adaptation activities and accompanying monitoring exercises 	<p>2.1.1.</p> <p>2.1.2.</p> <p>2.2.1</p> <p>2.2.2.</p> <p>3.1</p> <p>3.2.</p> <p>3.3.</p> <p>3.4.</p> <p>3.5.</p>
<p>Enhanced knowledge sharing and coordination of ETF-compliant activities amongst transparency practitioners.</p>	<ul style="list-style-type: none"> · Absence of packaged set of tools, methodologies and best practices compliant with ETF requirements that can be adapted · Lack of knowledge-sharing platforms for Indonesia to access lessons learned and good practices · Low self-sufficiency of South-South cooperation networks 	<p>1.1.</p> <p>1.2.</p> <p>2.1.1.</p> <p>2.1.2.</p> <p>2.2.1.</p>

	<ul style="list-style-type: none"> · Limited degree of coordination amongst transparency practitioners and relevant agencies · Low capacity to incorporate information and analysis for informed decision-making and enhancing ambitions on climate change. 	
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Initiatives Undertaken by the Government of Indonesia

Sponsored by state budget, the Ministry of Environment and Forestry (KLHK) has been working to enhance the capacity of relevant officials at national and sub-national levels on climate change mitigation actions, including (i) training activities for technical personnel and policy makers, and (ii) pilot activities to strengthen the capacity of stakeholders for the development and implementation of mitigation actions. In the period of 2015-2016, at least 15 training and workshop activities have been implemented in the country and overseas.

In addition, sponsored by various organizations, there have been several pilot projects to strengthen the capacity of various stakeholders at national and sub-national levels to design and implement mitigation actions. One of the biggest supports that have been received by the country is including demonstration activities for REDD+. At least 37 REDD+ demonstration activities have been implemented in various regions in the country that provide good lessons-learned. Several projects facilitated by UNDP (mentioned above) also took their parts to strengthen the capacity at national and sub-national levels.

3. THE PROPOSED ALTERNATIVE SCENARIO

With the adoption of the Paris Agreement on climate change, the country has engaged in its implementation through the elaboration of the national roadmap related thereto. It will work to achieve the objective of 29 to 41 percent of GHG emission mitigation by 2030. An operational GHG emission inventory system and an effective MRV system are key to guide Indonesia in the path of low carbon emission development strategy and track the effort of greenhouse gas mitigation.

Therefore, building technical and institutional capacities for the implementation of GHG inventories and MRV systems will enable Indonesia to successfully implement the Paris Agreement on climate change and its NDC.

The proposed project entitled "**Strengthening the Capacity of Institutions in Indonesia to comply with the Transparency Requirements of the Paris Agreement**" will be in line with Indonesia's NDC and with the National Medium Term Development Plan (RPJMN 2015-2019). It will facilitate the efforts Indonesia to comply with Indonesia's engagement in Paris Agreement/UNFCCC. Thus, the project will be in accordance with GEF focal area to address Climate Change through the perspective of enabling activities. Accordingly, the project will have three components:

Component 1: National Institutions Strengthening for Climate Transparency

This component will help strengthen the capacities of national and local institutions and stakeholders in managing properly transparency and MRV systems, so that Indonesia has the proper political and institutional structures in place. It will improve knowledge on what MRV arrangements and the ETF are, highlight in particular the benefits it can provide at the national and local level, in terms for example of improved governance and by supporting results-based payments. This awareness exercise will be provided to a broad range of stakeholders, from ministerial staff to policy makers, civil society, academia and the private sector. Further, a clear explanation of roles will be realized in order to clarify what each role in the transparency systems entails and how those are related to each other's, thus strengthening the institutional arrangements dealing with climate change and climate transparency.

It will elaborate, validate and adopt a *national long-term strategy on climate transparency*, with the objective of supporting Indonesia in switching away from a project-based approach to MRV toward a full institutionalization of the ETF. By defining long-term and mid-term goals, key milestones, roles and responsibilities – all of which, as a state policy, should not be impacted by change of governments and authorities- Indonesia will be able to count with the proper policies and legal framework to support its transparency actions over the next decades.

The project is expected to strengthen the NDC implementation strategy that consists of (1) ownership and commitment development, (2) capacity development, (3) enabling environment, (4) communication network and framework development, (5) One GHG Data Policy, (6) Intervention programme, planning, and policy development, (7) NDC Implementation Guidelines development, (8) NDC implementation, and (9) NDC review and monitoring.

Under Outcome 1.1, the project will establish Indonesia's transparency mechanism, which will be technically in charge of managing national communications, biennial update reports and more in general of every component of the MRV/enhanced transparency framework in the country. This mechanism, built on existing institutionality and key part of the newly defined climate institutional arrangements, will support as well the preparation of greenhouse gas inventories as well as the proper tracking of NDCs and will gradually be staffed with government experts and increasingly funded by the national budget.

The proposed inter-ministerial coordination mechanism will have a dual role: on one side, it will support the coordination and communication among transparency actors thus supporting quickly and efficiently the requests originating by the transparency mechanism/unit. On the other side, it will provide strategic advice and orientation to the transparency mechanism itself as well as to policy makers in order to support the implementation of sound and innovative climate transparency policies. The National Institutions for Climate Transparency will be established through a ministerial decree. The framework will provide tools for data and information management (developed by the MOEF). Meanwhile, the transparency mechanism will develop and regulate inter-ministerial and private sector collaboration to increase data and information quality.

Referring to <http://ditjenppi.menlhk.go.id/peraturan-perundangan.html>, this coordination mechanism has been officialized by law, i.e. Presidential Decree Number 16/2015 concerning the Directorate General of Climate Change. It refers to Law Number 16/2016 regarding Paris Agreement to UNFCCC and Law Number 32/2009. The Laws and Presidential Decree were continued by various Minister's of Environment and Forestry's Decrees, i.e.:

Ministerial Decree	Title of Decree
P.13/Menlhk/Setjen/OTL.0/1/2016	Organization and Governance Mechanism of Climate Change Institutions (Agencies) and Forest and Area Fires (<i>Organisasi Dan Tata Kerja Balai Pengendalian Perubahan Iklim dan Kebakaran Hutan dan Lahan</i>)
P.18/Menlh-II/Setjen/2015	Organization and Governance of Ministry of Environment and Forestry (<i>Organisasi Dan Tata Kerja kementerian Lingkungan Hidup dan Kehutanan</i>)
P.32/Menlhk/Setjen/Kum.1/3/2016	Management of Forest and Area Fires (<i>Pengendalian Kebakaran Hutan</i>)

	<i>n dan Lahan)</i>
P.33/Menlhk/Setjen/Kum.1/3/2016	The Guidelines of Climate Change Adaptation Actions Development <i>(Pedoman Penyusunan Aksi Adaptasi Perubahan Iklim)</i>
P.84/Menlhk/Setjen/Kum.1/11/2016	Climate Village Programme <i>(Program Kampung Iklim)</i>
SK.777/Menlhk/Setjen/OTL.0/10/2016	Steering Team for the Development of the Third National Communication Document to UNFCCC <i>(Tim Pengarah Penyusunan Dokumen Komunikasi Nasional Ketiga Konvensi Kerangka Kerja Perserikatan Bangsa-bangsa Tentang Perubahan Iklim)</i>
SK.282/Menlhk/Setjen/PLA.1/6/2017	Forest and Area Fire Map Year 2015 and 2016 <i>(Peta Areal Kebakaran hutan dan Lahan Tahun 2015 dan Tahun 2016)</i>
P.70/Menlhk/Setjen/Kum.1/12/2017	Mechanism for the Implementation of Reducing Emissions from Deforestation and Forest Degradation, Role of Conservation, Sustainable Management of Forest and Enhancement of Forest Carbon Stocks
P.71/Menlhk/Setjen/Kum.1/12/2017	National Climate Change Registry System Mechanism <i>(Penyelenggaraan Sistem Registri Nasional Pengendalian Perubahan Iklim)</i>
P.72/Menlhk/Setjen/Kum.1/12/2017	The Guidance Measuring, Reporting and Verification Implementation Action and Climate Change Management Resources <i>(Pedoman Pelaksanaan Pengukuran, Pelaporan dan Verifikasi Aksi dan Sumberdaya Pengendalian Perubahan Iklim)</i>
P.73/Menlhk/Setjen/Kum.1/12/2017	The Guidance of National GHG Inventory Reporting and Management <i>(Pedoman Penyelenggaraan dan Pelaporan Inventarisasi Gas Rumah Kaca Nasional)</i>
P.7/Menlhk/Setjen/Kum.1/2/2018	The Guidance on the Climate Change Impact, Risks and Vulnerability Assessment <i>(Pedoman Kajian Kerentanan, Risiko, dan Dampak Perubahan Iklim)</i>
P.8/Menlhk/Setjen/Kum.1/2/2018	Technical Criteria Status on Forest and Area Fires Readiness and Emergency <i>(Kriteria Teknis Status Kesiagaan dan Darurat Kebakaran Hutan dan Lahan)</i>
P.9/Menlhk/Setjen/Kum.1/3/2018	Permanent Procedure on the Field Assessment of the Information on Hotspots and/or Area and Forest Fires <i>(Prosedur Tetap Pengecekan Lapangan Informasi Titik Panas Dan/Atau Informasi Kebakaran Hutan dan Lahan)</i>

	<i>apangai informasi Tim Paris Paris/Atau informasi Kewajiban Mitigasi Dan Lahan)</i>
SK.344/Menlhk/Setjen/OTL.2/5/2016	Team Members for Law Development on the Establishment of Paris Agreement on Climate Change (<i>Tim Penyusunan Rancangan Undang - Undang Tentang Pengesahan Paris Agreement on Climate Change</i>)
SK.679/MENLHK/SETJEN/KUM.1/12/2017	Nationally Determined Contribution (NDC) (<i>Pemantauan Implementasi Kontribusi Yang Ditetapkan Secara Nasional</i>)

The mechanism of coordination is indirectly meant to include the participation of a broad range of stakeholders, including those from academia, civil society, and different ministries.

Within the context of this component, the project will not only capacitate government agencies but also non-governmental stakeholders (private sector, etc.) to establish a long-term strategy linked to the existing mechanism.

The project will also work with regional networks, conduct regular monitoring, and undertake public awareness to assure strengthened institutional arrangements for climate transparency are in place.

Under Outcome 1.2, the will work with government institutions and non-governmental stakeholders to establish long-term strategy and access to financial resources, capacity building and technology transfer through the development of: (1) a detailed gap analysis on gender equality, (2) a long-term strategy on the access to financial resources, capacity building and and technology transfer, and (3) knowledge sharing.

Recently, international agreements on Climate Change have offered the provision of various means of support through new financial resources, capacity building activities, and transfer of technology. In the meantime, it is unfortunate that local government agencies and non-governmental stakeholders in the country, are not well informed about the availability of such support. Therefore, it is important to introduce/ promote the availability of a broad range of support (including the information on ways to access the support) to the relevant stakeholders.

Considering the vastness of Indonesia's territory, it is important to develop strategic activities to facilitate the access of stakeholders to support for climate-change related activities, such as a matchmaking tool or a platform with guidance and linkages to available support.

In line with the transparency mechanism, the tools or platform would also help Indonesia to identify on financial, technology transfer and capacity-building support needed and received, to ensure a better quality of report and a smooth engagement with the information of support provided from developed countries.

Therefore this project will work with government institutions and non party stakeholders to establish long-term strategy and access to financial resources, capacity building and technology transfer through the development of: (1) gap analysis on gender equality, (2) a long-term strategy on the access to financial resources, capacity building and and technology transfer, and (3) knowledge sharing

Component 2: The Development and Establishment of Robust Systems to Measure, Report and Verify (MRV) Emissions in compliance with the Paris Agreement

The outcome of this component will aim at strengthened GHG inventory mechanism and domestic MRV system and designed domestic MRV system capable of tracking and exchanging data on GHG emissions. It will facilitate relevant agencies to calculate GHG inventories using the established guidelines, especially the IPCC 2006 guidelines as well as support the development of a proper time series.

It will focus on the development of proper activity data and emission factors, with a particular attention on the most important sectors in terms of emissions (LULUCF sector and other related sectors (energy, IPPU), as Indonesia has so far only used -for example- IPCC defaults data, which do not describe appropriately national conditions and thus increase uncertainty over national emissions.

Improvement plan on LULUCF sector is to include these following activities: (a) Improve emission factor on peatland fire; (b) Activity data availability, especially land cover change analysis, can be improved into 1 (one) year earlier; and (c) Peatland decomposition calculation, carbon stock determination must be harmonized with the Forest Reference Emission Level (FREL). For the sector of energy, especially for the sub sector of transportation, the GHG emission is disaggregated into Civil Aviation, Land Transportation (Road Transportation and Railway), and Water Borne Navigation. In this sub-sector of transportation, fuel combustion data for land transportation cannot be disaggregated into land and railway (train) transportation. For the sector of Industrial Process and Product Use (IPPU), the improvement on the estimation of GHG calculation is based on the real production data or manufacturers' data report directly by the industry to the Ministry of Industry through SIINAS system <https://siinas.kemenperin.go.id/> This system has been applied to the industries of cement, ammonia, urea fertilizer, iron and steel, and chemicals. It is expected that other industries will be able to follow to minimize assumption-based data to measure the emissions.

It will support the development of a QA/QC protocol, up to now missing, which will allow Indonesia to correct uncertainties and mistakes at the national level, before inventories are formally submitted to the Convention. This output will thus help the Party to avoid submission of incorrect values for GHG inventories as happened in the past.

It will be aimed at supporting Indonesia in its transition toward the use of the 2006 IPCC guidelines and will be focused at training national entities, including academia, with the objective of reducing significantly the use of external consultants in future climate reports. This is particularly important as up to now there are very limited human capacities in the elaboration of GHG inventories.

It will support the establishment of data management sharing protocols, with the goal of improving data exchange, communication and coordination among different public and private institutions, thus creating the basis for better data management.

Under the component, the project will strengthen GoI to improve data collection as well as assist in the design of an online MRV platform, with the objective of improving the stocking and reporting of GHG data, a key piece instrumental to establishing a national MRV system.

The component will support GoI in designing sectorial interfaces for the MRV system in order to engage further public and private institutions—together with outputs under Component 1—in collecting and entering data directly into the MRV system. Under this component, the project will strengthen domestic MRV system through piloting MRV systems in selected areas among the regions of Ministry of Environment and Forestry (KLHK), i.e. Sumatera, Java-Kalimantan, Bali-Nusa Tenggara, and Sumapapua (Sulawesi, Maluku and Papua) in coordination with relevant parties at national and sub-national agencies. The project will select one or two pilot area(s) on each environment development regions, so there will be 5 to 10 pilot provinces to be implementing the MRV system. Regular workshops will be conducted both nationally and regionally to bridge consultations and sharing experience between stakeholder on the national level as well as provincial level.

Methodology Panel has been formed to support the implementation of MRV consisting of experts from universities, research institutions and sectoral ministries. The function of the Panel is to identify, analyze, and assess methodologies developed by parties to measure the emission reduction and also to formulate recommendations for policy makers in making and planning climate action programs. The panel was established based on MoEF Regulation No.22/PPI/IGAS/PPI.2/6/2017.

Component 3: Strengthened NDC Implementation and Tracking Progress

Under this component, the project will support the re-assessment of information reported in the NDC, with a focus on the assumptions and methodologies used for establishing the business as usual scenario for 2030 and the low carbon scenario. It will incorporate data provided by the most recent GHG inventory (2017) elaborated under the BUR. The project will also review the methodological approaches previously used with the goal of improving the estimates generated for both scenarios and achieving more robust estimates without backpedaling on the ambitious commitments presented at COP 21.

Activities under this component will also address the gaps flagged in the NDC regarding data from certain sectors. Regarding the LULUCF sector and other related sectors (energy, IPPU), Indonesia's NDC stated that "Emissions from this important sector in Indonesia will need to be analyzed more precise by 2020 in order to be integrated into the overall objective." While the CBIT will not specifically be directed at improving information on land use, it will work closely with other initiatives (such as the REDD + national programme and future BUR/NC programmes) in order to guarantee that this newly elaborated information will feed in into the revised NDC.

This component will also aim at elaborating a new methodology and tools, to be designed by key national stakeholders, that will allow Indonesia to properly keep track of its progress in the implementation of its NDC. Improved tracking will allow the country to provide proper accounting of its mitigation and adaptation efforts and to provide useful and correct inputs to the global stocktakes under the Enhanced Transparency Framework established by the Paris Agreement.

Indonesia will use CBIT support to "elevate" the technically sound methodology as described under the previous output into a national climate policy recognized and implemented by all ministries, the private sector and civil society, thus further strengthening the institutional arrangements already supported by relevant outcome(s). This output will ensure that NDC accounting efforts will be applied at all levels, thus increasing the validity of the data to be reported in the future by the Party.

Finally, Indonesia believes strongly on the value of peer to peer support in the South-East Asian region and is willing both to provide expertise to others as well as to learn their lessons learnt to make its own transparency framework as effective as possible, also with the support of the UNDP/FAO and its MRV/Transparency South-East Asian network. Output 3.5 will cover different sort of exchanges, both in person and virtual. It will facilitate knowledge exchanges and lessons learnt also outside the region, by being actively engaged in the CBIT global coordination platform and by providing feedbacks on inter alia project implementation, barriers, lessons learnt, information which will be made available virtually through the platform to a wide range of stakeholders around the world.

4. INCREMENTAL COST REASONING

The project is primarily aligned with GEF Focal Area CCM-3-8, "Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency." Investments under this proposal will strengthen national and sectoral capacities to tracking progress against the national GHG emissions reductions targets, as well as the effective and efficient use of data and information. In this sense, the project aims also to strength national institutional capacities and arrangements.

The technical challenges this CBIT proposal will deal with will likely persist if Indonesia is not assisted in this process.

While Indonesia has advanced significantly in improving its capacities in monitoring and reporting its GHG emissions over recent years, there are still several barriers in the way to achieve a solid and coherent transparency system, which may can provide clearer inputs and keep track on the how the Country is advancing regarding its NDC implementation.

Without the support of the project, the process of enhancing transparency related to climate change aspects would be slower, although climate change constitutes one of the political priorities for the country. The focus would be on defining and implementing actions that, even if coordinated, would not have the necessary information/data analysis and systematization. The project gives the opportunity to increase efforts in mitigation and adaptation actions having, at the same time, the mechanisms and tools to make them more efficient and transparent.

5. GLOBAL BENEFITS

The project will have a real impact on the development of Indonesia. Indeed, the project is associated with global benefits through capacity development mainly in the areas of GHG inventories and emission reductions. At the institutional level, the project will create a coordination framework for GHG inventory and involve the main stakeholders in the implementation of the NDCs. Indeed, in the absence of this project, there will be an uncoordinated approach in data collection and analysis.

At the environmental level, the project will strengthen Indonesia's capacity to implement the NDCs and the Paris Agreement through an operational, robust and functional MRV system that will ensure high quality GHG data and related information for accurate GHG inventory. This strong MRV system will contribute to improving the design and prioritization of cost-effective project proposals to reduce GHG emissions. The project will also enhance capacity of Indonesia to implement multilateral environmental agreements and mainstream into national and sub-national policy planning financial and legal frameworks; and development and sectoral planning frameworks that integrate measurable targets drawn from the NDCs.

At the technical and operational level, the project will strengthen capacity of national experts on inter alia data collection and analysis, quality assurance / quality control (QA/QC), GHG inventory methodologies and co-benefits analysis._

6. INNOVATION, SUSTAINABILITY AND SCALING UP

The long-term sustainability of the project results will be achieved through the following principles which will be followed during the implementation of the project:

- The project will reinforce existing activities carried out by the new Climate Change Directorate, in the framework of the BUR and National Communication. It does not aim to create a new system. Moreover the proposed activities and expected results are conclusions and gaps highlighted through the NDC, BUR and National communication elaboration processes. The project is aimed at addressing the current weaknesses of the national GHG inventory system. The project benefits should be sustainable in the long term by responding to existing needs;
- Partner with relevant institutions. The expected results and their related proposed activities will not be implemented by the project itself, but in close partnership with the relevant institutions for each particular set of results. The activities being funded by the project should respond to partners' needs; therefore, being institutionalized since the start;
- Build the capacity of existing mechanisms and structures, such as existing committees, working groups, etc., instead of creating new ones. This approach will ensure a better continuation of project benefits;
- Share resources with partners to implement the proposed activities. The project should not fund activities in their entirety; external funds should not be an alternative to state funding, and costs should be shared with the partners;

- Manage adequate exit points for the project from the various partnerships in place. The exit of project support should be planned carefully to avoid disruption and ensure continuity of project benefits.

Considering the current dynamic in Indonesia related to climate change, the expected benefits should be met and be sustainable. The proposed activities were identified to respond to existing gaps and needs. The activities will be implemented in partnership with the relevant partner organizations. Therefore, the process should be institutionalized within the partner organizations from the beginning of each activity. The long term sustainability of these benefits should be ensured through their institutionalizations.

Results from the project will also be disseminated widely at the national and regional level through existing information sharing networks and forums, such as the the Global Support Programme and the CBIT Global Coordination Platform and members.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The project will be implemented in the Republic of Indonesia



2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations

Private Sector Entities

If none of the above, please explain why: Yes

The stakeholders representing Indigenous Peoples and local communities, Civil Society Organizations (CSOs), private sector entities are not involved directly during the process of project identification phase. The Implementing Partner (IP) and UNDP use data/information collected previously during the process of the Third National Communication (NC3) document development, BUR development, NDC development, etc. that involved the Indigenous Peoples, local communities, CSOs, private sector entities, etc.

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

Under the project support, the activities will mainly strengthen government entities located at national and local levels. However, it will work with the private sector and Civil Society Organizations (CSOs) to strengthen the process and progress.

During its implementation stage, the project will work with relevant partners at national and sub-national levels through various activities that have been planned together. It will invite the stakeholders, including civil society and indigenous peoples in the Inception Workshop, Training, Focus Group Discussions, etc.

The key stakeholders and a brief description of their engagement will be as follows:

Table 2: Stakeholders and Their Responsibilities

Name of key stakeholders	Responsibility/expertise
1. Ministry of Environment and Forestry	<ul style="list-style-type: none">· National Focal Point for UNFCCC· Implementing Partner (IP)· Liaising with UNFCCC on global processes
2. Other relevant sectors (technical ministries):	<ul style="list-style-type: none">· Decision-making and national investment
2.1. Coordinating Ministry for Economic Affairs;	<ul style="list-style-type: none">· Capacity building of relevant government officials
2.2. Ministry of Finance;	<ul style="list-style-type: none">· Data collection and analysis
2.3. Ministry of National Development Planning (BAPPENAS);	<ul style="list-style-type: none">· Sectoral expertise

2.4.	Ministry of Agriculture	
2.5.	Ministry of Energy and Mineral Resources	
2.6.	Ministry of Industry	
2.7.	Ministry of Transportation	
2.8.	Ministry of Public Works and People's Housing	
2.9.	Ministry of Health	
2.10.	Ministry of Marine Affairs and Fisheries	
3.	Regional/ Sub-national offices (agencies):	<ul style="list-style-type: none"> · Data collection and analysis · Decision-making and local investment · Capacity building at regional and local levels
3.1.	Sumatera	
3.2.	Java and Kalimantan	
3.3.	Bali and Nusa Tenggara (Bali-Nusra)	
3.4.	Sulawesi, Maluku and Papua (Sumapapua)	
4.	Civil society organizations/ local communities/ indigenous peoples	<ul style="list-style-type: none"> · Data collection · Sensitization and training of communities · Capacity building <p>(most of them are involved in REDD+ related activities)</p>
5.	Local/ national and international NGOs that have strong interest in Climate Change	<ul style="list-style-type: none"> · NGOs will be engaged in the implementation of the project, including the best practice analysis and validation and appraisal for AFOLU data.
6.	Oil and Gas companies, State Electricity company (PLN), Independent Power Producer (IPP), Private Power Utility (PPU), and other major companies/ industries that have responsibility to report GHG emissions and involved in Climate Change actions	<ul style="list-style-type: none"> · Data supply for GHG inventory · Implementation of GHG inventory methodologies
7.	National Research institutes and universities	<ul style="list-style-type: none"> · Indonesian Agency for Agricultural Research and Development (IAARD) is the main research partner for AFOLU activity data collection and estimation. IAARD, as a specialized national institution for agriculture research

	will provide extension research required for enhancing data quality of agricultural emissions and adaptation activities
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In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The project will develop a gender analysis outlining the different roles and responsibilities of women and men in the climate transparency area in Indonesia. For example, the contribution of women will provide much added value in several sectors, such as the emission of residential activities on the base of enquiries related to data on charcoal and fuel wood. Their active participation in the project will also contribute to refine the emission allowing to move from the level 1 to the level 2 according the 2006 IPCC guideline, 2006. The project will develop gender responsive results-based frameworks in line with GEF's Gender Equality Action Plan (GEAP), which is key to ensuring that women's needs, voice, leadership and participation are taken into account in project design, implementation and evaluation. As a result, the project will, where possible, account for and apply a gender-sensitive approach to data and information collection and analysis, which will be reported in project findings and relevant publications. Mainstreaming gender-aware approach into the implementation will ensure equitable participation of women in project activities. The project will ensure that women's specific needs are met, that women enjoy equal access to project activities from the preparation to implementation and evaluation stages, and that all potential benefits are equitably enjoyed across project activities. An improved understanding of the GHG inventory will help to address appropriate responses to manage GHG emissions based on gender roles. Different tools will be used, included the Gender Toolkit for NCs and BUR developed by the Global Support Programme for NCs and BURs.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

Several private sector is responsible to release GHG and measure its action to reduce GHG. The private sector can be from LULUCF sector (coffee, palm oil, rubber), energy, IPPU and waste sectors Related to the statement in Table 2: Stakeholders and Their Responsibilities, the project will involve several major companies/ industries responsible to release GHG emissions, such as oil and gas, electricity production, etc.

5. Risks to Achieving Project Objectives

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

The potentials risks and proposed mitigation actions are as followed :

Table 3: Risks to CBIT project implementation and measures to address them

No	Description of risks	Types of Risks	Probability and impact (1-5)	Measures to address the risks
1	Lack of political will to support the project activities due to government change	Political	P=4 I=5	Awareness raising among the decision makers combined with a strong stakeholder involvement plan.
2	Lack of coordination among concerned ministries and local government authorities	Political	P=2 I=4	Clear project institutional arrangements that specify roles and responsibilities of those concerned set out by the national guideline to be supported by the project.
3	Limited cooperation on data and information sharing among stakeholders	Organizational	P=2 P=3	MoU with the key stakeholders to collect and handover required data and information
4	Inability for the government to fund the ETF related activities beyond the project cycle	Financial	P=4 I=4	Use South-South cooperation as an outreach channel for potential investment; utilize resources available with baseline projects
5	Gender mainstreaming hindered by resistance from local and national stakeholders	Cultural	P=3 I=2	Clear initial communication on gender equality as one of the key monitoring element for tracking progress of the project

In general, national experts do face difficulties in enhancing the depth and quality of assessments to be carried out under the project due to limited capacities and lack of adequate climate relevant data, GHG inventory baselines, information and lessons and good practices (level of the risk, moderate). As proposed actions for mitigation: UNDP as implementing agency will overview closely the project implementation and will work closely with other relevant international initiatives, such as the CBIT Global Coordination Platform to help Indonesia to identify the centres of excellence in country as well as outside Indonesia. Additionally, Indonesia would work closely with the UNDP/UNEP Global Support Program in implementing peer support by linking the Indonesia team to teams in other countries working on transparency. This collaboration will be instrumental to exchange data and informations, lessons learnt and good practices to enhance the quality and relevance of GHG inventory. The south-south cooperation and the peer to peer support within the South-East Asian network, will also help to strengthen the capacity of the national stakeholders.

Weak participation process amongst stakeholders due to institutional rivalries and rigidities which hamper responsiveness of project outputs to national development needs as well as effective work delivery and quality of the outputs (level of risk, moderate). As a mitigation measure, the Directorate of Climate Change will work closely with the representatives of key institutions. It is important to ensure that project will be known beyond the implementation partners that there will be no misunderstandings concerning objectives and activities. Efforts will be made to ensure that the project is addressing both short term needs regarding convention requirements (transparency) while at the same time achieving results with a long term perspective of helping Indonesia to address climate change issues in a more sustainable manner.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

The project is designed to be implemented in parallel and in complementarity with several activities, such as:

- A new initiative by UNDP and the Ministry of Environment and Forestry (MOEF), on the 4th National Communication (NC4) to UNFCCC. The project will focus on enabling GoI to design public policies and measures for mitigation and adaptation to climate change and to evaluate the environmental, social and economic impact of their implementation while fulfilling obligations to the UNFCCC. The proposed project will support the government to carry out all the necessary activities to prepare the 4th National Communication to comply with its commitments to the UNFCCC, in agreement with Convention's Articles 4.1 and 12.1, which will be developed in full coordination with this CBIT proposal.
- Indonesia's Market Readiness Proposal Under the Partnership for Market Readiness (PMR for Indonesia) which aims to support the government to determine an appropriate market-based instrument (MBI) to reduce GHG emissions. This will be achieved through the development of GHG emissions profiles and monitoring-reporting verification (MRV) systems in power generation and energy-intensive industries; and the development and piloting of a framework for market-based instrument (MBI) in Indonesia. The knowledge and lessons learnt generated through the CBIT project will be shared and exchanged through peer to peer interaction with the other regional countries. (as expressed in output 2.2.4).
- Similarly, a GEF-UNDP funded project "Market Transformation through Design and implementation of appropriate Mitigation Actions in the Energy Sector (MTRE3). The project aims to support the design and implementation of appropriate climate change mitigation actions in the energy generation and energy end use sectors. The project is intended to incrementally support GoI to achieve the voluntary GHGs emissions target by supporting effective implementation of RAN-GRK and RAD-GRK in energy sector. These initiatives will help provide an opportunity to discuss with other stakeholders and relevant agencies who are implementing CBIT common barriers and identified solutions.

The CBIT project will provide synergies with other climate change projects. These projects will fill in the overarching framework for Climate Change management issues in Indonesia, while the CBIT project focuses primarily on increasing capacity to manage progress in the entire sector. The 4th National Communication project will focus on Indonesia's reporting (National Communications and BURs) under the UNFCCC, while the Partnership for Market Readiness (PMR) project will focus on the development of pragmatic domestic market-based mechanisms by building and implementing carbon pricing instruments and assisting the country with identifying and implementing best practice approaches. The Market Transformation for Renewable Energy and Energy Efficiency (MTRE3) project will support the design and implementation of appropriate climate change mitigation actions focusing at energy supply and consumers. In the meantime, the CBIT project, in general, will improve and strengthen the stakeholders' capacity to manage the process of climate change transparency.

The knowledge and lessons learnt generated through the CBIT project will be shared and exchanged through peer to peer interaction with the other regional countries.

The Directorate of Climate Change from the Ministry of Environment and Forestry will be responsible for executing the project. The project steering committee will be established to oversee the implementation of the project. The project steering committee, will be composed by the Ministries of energy and Mineral Resources, agriculture BAPENNAS, and Coordinating Ministry for Economic Affairs – including the Indonesia's Greenhouse Gas Management Team- a

representative of UNDP's country office, non-governmental organizations and selected experts. The project steering committee will oversee the project team in carrying out the project activities, provide guidance and recommendation and support to ensure the project activities are carried out efficiently and effectively.

At implementation level, a full-time coordinator with qualified expertise and experiences will be selected to carry out the project management. This coordinator will be based within the Directorate of Climate Change as the same Direction is in charge inter alia of the elaboration of the NCs and BURs.

A Team of national experts will be selected to carry out the technical works. The Indonesia Greenhouse Gas Management Team will also provide support to the technical teams, in the perspective of a future collaboration.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assessments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

The project is consistent with the national strategies, National Communications and Biennial Update Report under UNFCCC. The Government of Indonesia (GoI) has been committed to address Climate Change related issues in the country. It has been working since its ratification of the Climate Change convention to fulfil its commitment in terms of elaboration of the BUR, NC and NDC. Within these documents as well as in the National Development Plan (2016-2020), the necessity to strengthen the greenhouse gas inventory and the transparency has been highlighted. Therefore, the current project is consistent with the national strategies, plans and reports.

Further, this project is consistent and fully integrated with the Third NC and the BUR. The CBIT proposal is aimed at solving several challenges faced during the preparation and the report of the national GHG emission inventories, such as data quality management, improved use of the 2006 IPCC methodology, institutional arrangement, etc. It is also consistent with the NDCs, the TNA, National Development Plan 2016-2020 and the National Strategy on REDD+ through the good identification of the most contaminating sectors, and the right actions to address them.

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Results from the project will be disseminated at the national level through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned, including the South-South Network on MRV. In this framework the project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects in Indonesia or in other countries in the region.

9. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF

CEO Endorsement/Approval MTR

TE

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Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

Supporting Documents

Upload available ESS supporting documents.

Title

Submitted

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Ibu Laksmi DHEWANTHI	Senior Advisor to the Minister on Industry and International Trade	Ministry of Environment and Forestry	9/12/2019

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

