

The Indonesia Mission Report



PaSTI- JAIF phase 1 project on development of facility/company level measurement, reporting and verification (MRV) to support carbon pricing in ASEAN member states (AMS)

01. Project Description

Project Type	Development and implementation of facility/company level Monitoring, Reporting and Verification (MRV) systems for Greenhouse Gas (GHG) emissions in ASEAN Member States (AMS)
Objectives of the mission	<p>Objective of this assignment under Phase I of the project is to provide technical assistance for the development of a pilot project plan and preparation of a road map for regional facility level measurement and reporting guideline.</p> <ul style="list-style-type: none"> • To collect and validate the information on facility level GHG measurement and reporting (M&R) • To identify the priority sector to develop regional facility level M&R guideline for ASEAN.
Location	Conference call via Skype
Dates	19 March 2020

02. Participating Organizations

- Partnership to Strengthen Transparency for Co-Innovation-Japan-ASEAN Integration Fund (PaSTI-JAIF)
- Overseas Environmental Cooperation Center (OECC)
- Deputy Director for Land-Based Sector MRV and Registry - Indonesia
- Climate Smart Initiatives (Pvt) Ltd (ClimateSI)

03. Participants

(Omitted)



04. Matters Discussed with the National Environment Agency

Agenda Item	Matters Discussed	Remarks
01.	Objective of the missions	<p>Objectives:</p> <ul style="list-style-type: none"> - to explore the experience of facility level M&R guideline in state and non-state level - to identify the legal gaps; and - to identify a sector to develop facility level M&R guideline
02.	Legal status for facility level M&R in the Indonesia	<p>Currently there aren't any legal status for facility level M&R in Indonesia.</p> <p>However, there will be legal basis for MRVs in power sector and industry sector in future.</p>
03.	Existing and proposed facility level M&R system	<p>Power generation sector M&R is still voluntary.</p> <p>According to CIACA report, MRV system will only be "complete" with the issuance of regulations that make reporting mandatory. In this regard, two regulations which will establish the legal basis for MRV in power generation are currently being formulated.</p> <p>Industry sector M&R is also voluntary</p> <p>The Industry sector MRV development is based on the SIINAS (Information System for National Industry) platform which has been in operation for several years. A sub-module has been added to SINAS through which industries can submit their emission data. SINAS has more than 8,000 industrial facilities registered. Only 80 units have reported their GHG emissions.</p> <p>Two regulations are under preparation to serve as the legal basis for the implementation of an MRV system in the industry sector.</p> <p>Sectors covered under voluntary requirements are Power generation and Industry (Cement production, Paper & Pulp, Fertilizer Production)</p>

04.	Preferred sectors for developing regional facility level M&R guideline	<p>Cement production</p> <p>Most immediate priority sector is cement sector as it already has specific standards for quantifying GHG emissions. These standards have been developed under the scope of the “Cement Sustainability Initiative”.</p> <p>Paper & pulp industry,</p> <p>The Ministry of Industry has the intention of developing MRV guidelines for paper and pulp industry because they are significant emitters willing to report on emissions.</p> <p>Fertilizer industry,</p> <p>The process of developing guidelines was found to be more feasible for fertilizer industry, as the production processes of all facilities operating in Indonesia are similar and there are just five major emitters.</p>
05.	Capacity building	<p>Proper networking should be established between Ministries including non-state actors. However, it takes a long time for the coordination process between the Ministries.</p> <p>On the other hand, lack of awareness in the private sector regarding the climate change issues hinders their engagement in the process of developing M&R systems. Furthermore, the capacity of the private sector also needs to be improved. (Especially in the small and medium companies)</p>
06.	Finalizing road map for M&R guideline	<p>PaSTI - JAIF team indicated that they will be able to finalize the draft roadmap by the end of March 2020 after completing all country visits.</p>

05. Additional information collected

Laws for national level MRVs

1. Law no. 32/2009 - Environmental Protection and Management
 - To ensure that development is underpinned with the principle of sustainably and environmentally sound development principles
 - Includes the development of environmental monitoring programs and development project impact evaluations

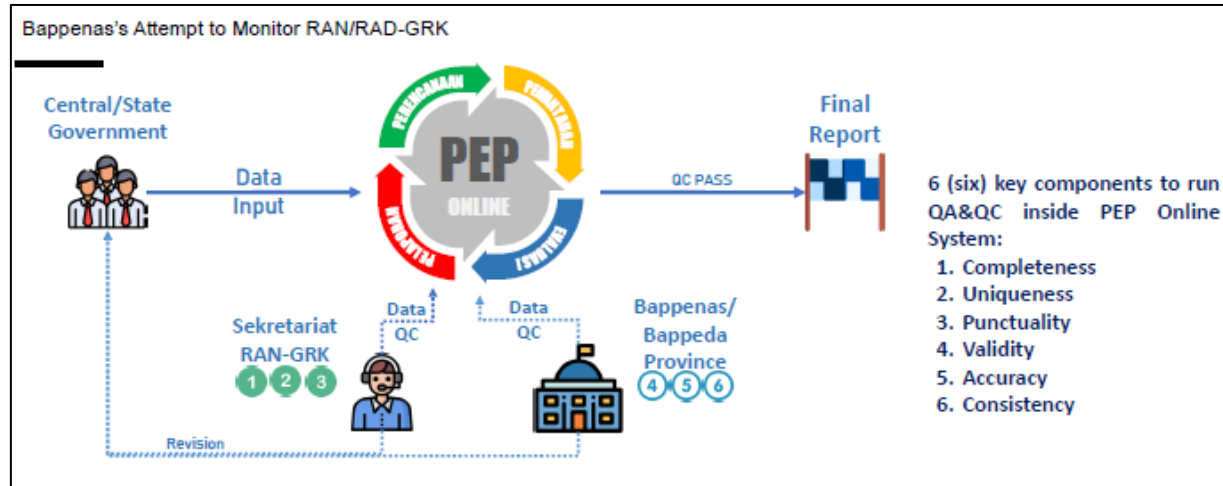
2. Law no. 31/2009 Concerning Meteorology, Climatology and Geophysics
 - Sets out the need to develop a GHG inventory for climate change policy development.

3. Presidential Decrees No. 61/2011
 - The quantified emission reduction target of 26% in 2020 is 0.767 GtCO₂e, and of 41% is 1.189 GtCO₂e. In achieving this target, mitigation actions are allocated to five different sectors, i.e., forestry and peat-land, waste, energy and transport, agriculture, and industry.

4. Presidential Decrees No 71/2011
 - Developing standard and methodology to measure GHG emissions and sequestration from REDD+ programs, projects or activities and consolidation and reporting of data on GHG emissions and sequestration from REDD+ programs, projects or activities
 - Pertains to the implementation of the national GHG inventory, and mandates different bodies of the government to produce national and sub-national GHG inventories on an annual basis

5. Other laws
 - **UU 25/2004**(Regarding SPPN)
 - **PP 17/2017**(Regarding Planning and Budget Allocation)
 - **Perpres65 and 66 / 2015** (Regarding Authority of National Development Planning/Bappenas)

Roles and responsibilities of national and local institutions are clearly defined in the regulations. BAPPENAS leads the implementation of RAN/RAD GRK and coordinates the monitoring, evaluation and reporting (MER) of the implementation of mitigation actions.



06. Actions to be taken

No	Action	Responsible organization/person
1	Collect the filled questionnaires from Mr. Pak Budiharto	Mr. Pak Budiharto Deputy Director for Land-Based Sector MRV and Registry, Ministry of Environment and Forestry