

Strategic Partnership for Supported NAMAs and Climate Finance

Background

Indonesia is one of the first countries worldwide to have established a National Climate Fund, the Indonesian Climate Change Trust Fund (ICCTF). The ICCTF reflects the need to pool and coordinate funds at the national level for the implementation of the Nationally Appropriate Mitigation Actions (NAMAs) within the context of the National Climate Change Mitigation Action Plan (RAN-GRK) and to support the implementation of the Adaptation Action Plan (RAN-API).

Set up in 2009 by the Government of Indonesia (GoI), ICCTF underwent from 2009-2014 the so-called "PREP-ICCTF" phase, during which UNDP acted as the interim trustee of the ICCTF. Objective of this phase was to build up the necessary processes and organisational capacity of the Indonesian Government to self-manage the trust fund in a subsequent phase. In 2015, the management was handed over to a unit within the Ministry of Development Planning (BAPPENAS). Starting from this basis, the project intends to further develop the ICCTF in its institutional arrangements and mechanism as well as in its procedures and capacities to enhance access of local public and private sectors to international climate finance according to good financial governance principles.

Objective

The overall objective of the project is to support the Government of Indonesia (GoI) to better implement Nationally Appropriate Mitigation Actions (NAMAs) through a variety of public and private financing mechanisms so that it can achieve its national Greenhouse Gas (GHG) emission reduction target.

Specific project goals (Outputs):

- The ICCTF is conceptualized as a public financing mechanism for the financing of NAMAs.
- The capacities of ICCTF for the implementation of the public financing mechanism are developed.
- Private financing mechanisms for the Implementation of NAMAs are identified and adapted to the Indonesian context.

- The inter-institutional coordination for the financing of national measures via a combination of public and private financing mechanisms is improved.

Direct target groups:

Ministry of National Development Planning (BAPPENAS), Ministry of Finance, Financial Service Authority (OJK), ICCTF and local institutions.

Indirect target groups:

- All beneficiaries of the ICCTF as a public finance mechanism for supported NAMAs.
- The Indonesian population that would benefit from low emissions growth programs as well as the international community due to enhanced mitigation actions by Indonesia.

Approaches

The project employs a mix of approaches to strengthen ICCTF to become a nationally-managed climate fund that effectively allocates climate finance to actors at the national and sub-national level. The project also collaborates with other institutions to support the implementation of NAMAs through a combination of public and private financing mechanisms. The project provides technical assistance and capacity development with focus on:

- Developing the capacities of the ICCTF in channeling funds to mitigation and adaptation activities at the national and sub-national level
- Aligning the ICCTF with international fiduciary standards, and preparing the ICCTF for an accreditation as a National Implementing Entity (NIE) to the Green Climate Fund (GCF).
- Identification of barriers for private climate finance and recommending suitable private finance mechanisms for the implementation of NAMAs.
- Aligning public and private finance actors for the financing of NAMAs.



Results Achieved (2016)

- Recommendation on legal options for an improved governance of the ICCTF
- ICCTF Grant Channeling Procedure
- ICCTF Accounting Manual
- Assessment on the compliance of the ICCTF to the GCF standards
- Business plan for the ICCTF
- Capacity building for the ICCTF has been provided on various aspects: grant channeling, project cycle management, financial and operational procedures, international climate finance, Green Climate Fund (GCF), renewable energy finance, fraud, procurement, monitoring evaluation reporting (MER), knowledge management, international exchange has been facilitated for the ICCTF for example at COP, etc
- Fundraising for the ICCTF (resulted in the current fund managed by the ICCTF)
- NAMA Summit has been conducted in 2014
- Analysis and stakeholder discussions on the barriers for investment in renewable energy and energy efficiency projects
- Stakeholder dialogue on renewable energy finance (facilitated by Frankfurt School of Finance and Management, and E-Quadrat)
- Study on identifying factors inhibiting local banks to employ project finance for renewable energy projects
- Stakeholder dialogue on mitigation actions in land-based sector



Project Facts

<p>Title : Strategic Partnership for Supported NAMAs and Climate Finance- Support to the Indonesia Climate Change Trust Fund/ Indonesian NAMAs Financing Support (INFIS)</p> <p>Commissioned by : German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB)</p> <p>Country : Indonesia</p> <p>Lead Executing by : Directorate of Environment, Ministry of National Development Planning/ National Development Planning Agency (BAPPENAS)</p>	<p>Overall Term : December 2013 to October 2018</p> <p>Budget : 3.5 million Euro</p> <p>Keywords : Climate Finance, Trust Fund, NAMAs</p> <p>Contact : Mr. Sonny Syahril Gedung Wisma Bakrie II, 5th Floor. Jl. HR Rasuna Said Kav: B-2, Jakarta Selatan, Indonesia. 12920 T +62 21 5793 2691 F +62 21 5793 2693 E: sonny.syahril@giz.de</p>
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