



# Indonesia Climate Change Trust Fund

## Establishment, Development and Operation

**Expert Meeting on Strengthening Finance for Sustainable Forest Management  
through National Forest Funds**

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# About ICCTF



## Establishment

- ☐ Emission Reduction Commitment
- ☐ NAP for Mitigation & Adaptation
- ☐ Legal Status: PREP-ICCTF → LWA-ICCTF



## Vision & Mission

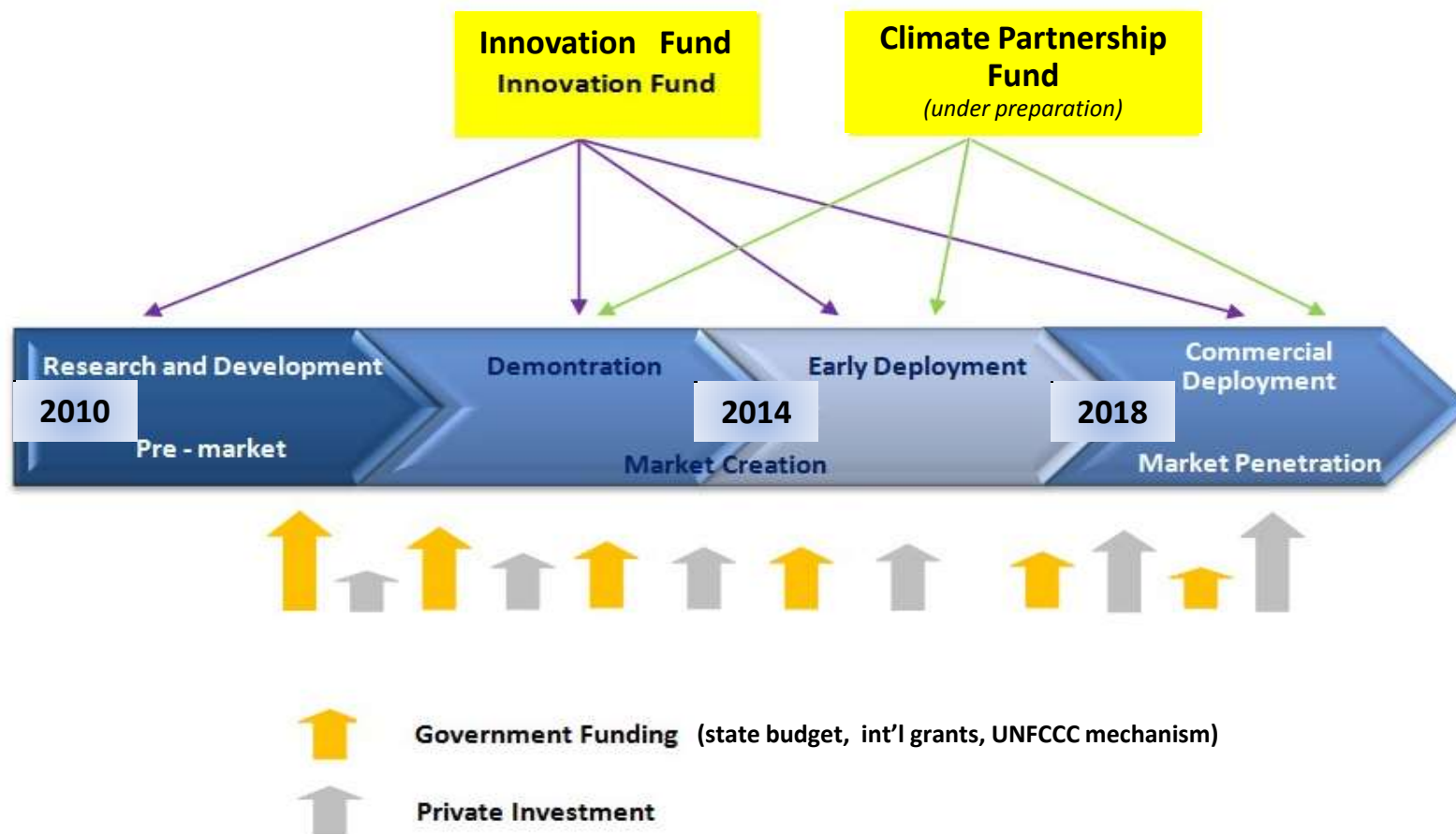
- ☐ Coordinating Mechanism for Int'l Grants
- ☐ Low Carbon Economy & Greater Resilience to Climate Change Impacts



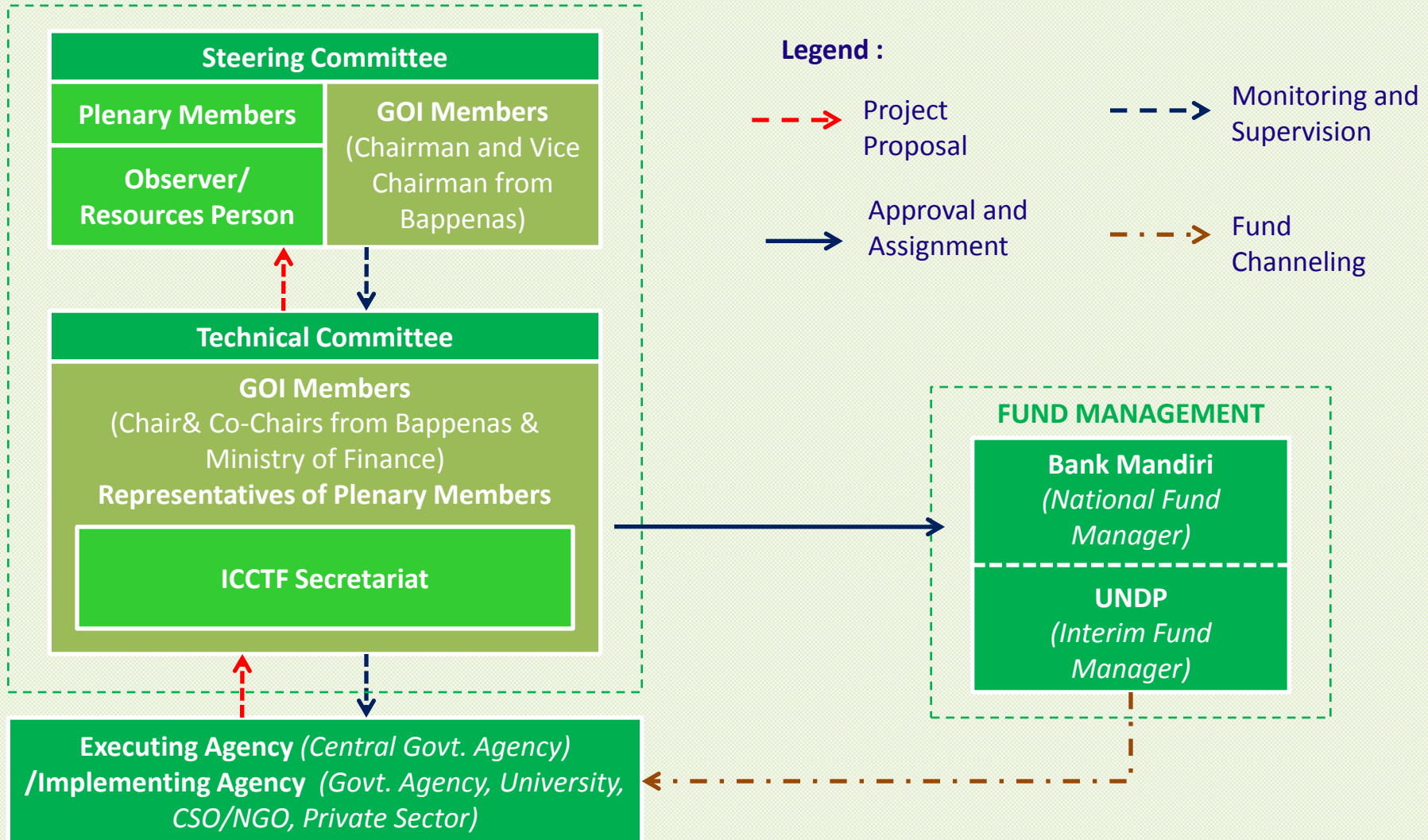
## Funding

- ☐ Investment Windows: Land Based Mitigation, Energy, Resilience and Adaptation
- ☐ Contributors: UKCCU, AUSAID, SIDA, GOI

# Funding Mechanism



# Current Organizational Structure



# Land Based Mitigation Window



## Land Based Mitigation Window

- To reduce GHG emissions through: (1) financial support for programs on reforestation/rehabilitation of degraded forest; (2) restoration of critical land into community forest, energy estate and agroforestry; (3) low carbon and productive management of degraded peat land; and (4) sustainable management of protected/conservation areas.

# Focus Area of Land Based Mitigation (1)

Investment Strategy	Program	Proposed Activities
<b>1. Increasing human resources capacity and strengthening institution in forestry and peat land</b>	Increasing knowledge and capacity in forestry and peat land management	<ul style="list-style-type: none"> <li>• Development of “Climate Change Mitigation in Land-Based” education and training programs.</li> <li>• Dissemination of forestry and peat land best practices.</li> </ul>
	Strengthening institution in forestry and peat land	<ul style="list-style-type: none"> <li>• Establishment and strengthening of Forest Management Units (FMU) at conservation forest (KPHK), protected forest (KPHL) and community forest (KPHR) through pilot projects.</li> <li>• Formulation of standard criteria for categorizing degraded peat land and ecosystems; development of a ‘Master Plan for Peat land Ecosystem Management’ at provincial level.</li> </ul>
<b>2. Enhancing improved land management practices in forest conservation area, degraded peat land and community critical land</b>	Formulation of technical guidelines on the management of forest conservation area, degraded peat land and community critical land	<ul style="list-style-type: none"> <li>• Formulation of technical guidelines on protected and conservation forest management.</li> <li>• Formulation of technical guidelines on the management of community forest, agroforestry, and energy estate in critical land.</li> <li>• Formulation of technical guidelines on farming and plantation practices in degraded peat land.</li> </ul>
	Development of low carbon agroforestry, energy estate and community forest in critical land, and farming and plantation practices in degraded peat land	<ul style="list-style-type: none"> <li>• Development of low carbon community forest, agroforestry, and energy estate in critical land.</li> <li>• Development of farming &amp; plantation practices in degraded peat land.</li> </ul>
	Development of pilot project on conservation and protected forest management to reduce GHG	<ul style="list-style-type: none"> <li>• Managing the conservation forest and protected forest to optimally and continuously reduce GHG</li> </ul>



# Focus Area of Land Based Mitigation (2)

Investment Strategy	Program	Proposed Activities
<b>3. Development of standard method of GHG emission measurement and information system related to baseline and emission in conservation/protected forest, community forest, agroforestry, energy estate, farming and plantation in peat land</b>	Formulation and determination of standard method of GHG emission measurement in conservation and protected forest, agroforestry, energy estate, farming and plantation in peat land	<ul style="list-style-type: none"> <li>• Formulation and determination of standard method of GHG emission measurement in conservation forest, protected forest, agroforestry, and energy estate.</li> <li>• Formulation and determination of standard method of GHG emission measurement on farming and plantation in degraded peat land.</li> </ul>
	Development of information system including progress monitoring, and carbon trade model in conservation/protected areas, community forest, agroforestry, energy estate, farming and plantation in peat land	<ul style="list-style-type: none"> <li>• Development information system including progress monitoring in conservation/ protected areas, community forest, agroforestry, energy estate, farming and plantation in peat land</li> <li>• Development of carbon trade model for conservation/protected areas, community forest, agroforestry, energy estate, farming and plantation in peat land</li> </ul>

# ICCTF Pilot Project 2010-2011



## Sustainable Peatland Management

1. Banjarbaru, South Kalimantan
2. Jabiren, Central Kalimantan
3. Muaro, Jambi
4. Pelalawan, Riau



## Energy Conservation

1. DKI Jakarta, Jakarta
2. Tangerang, Banten
3. Serang, Banten
4. Bekasi, West Java
5. Bandung, West Java
6. Bogor, West Java
7. Klaten, Central Java
8. Semarang, Central Java
9. Surabaya, East Java
10. Gresik, East Java
11. Sidoarjo, East Java
12. Kediri, East Java
13. Kudus, Central Java
14. Muara Enim, South Sumatra
15. Pekanbaru, Riau
16. Tanjab Barat, Jambi
17. Porsea, North Sumatra
18. Deli, North Sumatra



## Public Awareness & Education

1. Serdang Bedagai.
2. North Sumatra
3. Batu, Malang, East Java
4. Bau-Bau, SouthEast Sulawesi
5. Kamal Muara, North Jakarta
6. Indramayu, West Java



# ICCTF On-going Project 2012-2014



## **Sustainable Management of Degraded Peatland to Mitigate Green House Gas Emissions and Optimize Crop Productivity (ICCTF-MoA)**

1. Papua
2. Kalimantan Barat
3. Kalimantan Tengah
4. Riau
5. Jambi

## **Enhancing Sustainable Management of Community-Based Wood Pellets Production as Biomass Energy to Support Low Carbon Economy and Climate Change Mitigation in Bangkalan, Madura, East Java (ICCTF-MoFor)**

1. Bangkalan, Madura



## **Health Vulnerability: Assessment, Mapping, and Community Based Adaptation on Dengue Hemorrhagic Fever and Malaria Diseases (ICCTF-MoH)**

1. West Sumatra
2. DKI Jakarta
3. East Java
4. Bali
5. Central Kalimantan

# Project Selection

## Project Selection Process



## Selection Criteria

### 1. Thematic Window Consideration

#### Land Based Mitigation Window

- Potential to reduce deforestation and land degradation.
- Promotes carbon sequestration.
- Increases resilience of local communities to address climate change.
- Does not marginalize or aggravate relations with traditional communities and other local stakeholders.

### 2. General Programmatic Consideration

- In line with national policies and priorities
- Provide beneficial impacts to communities
- Capacity development
- Environmental impact
- Bridge financial gaps

### 3. Readiness of the Project Proponent

- Roles and responsibilities
- Focal point, management team and institutional support
- Counterpart fund or support fund
- Project Management Unit mobilization

# Project Management Cycle

## Project Selection

### Proposal Submission

- Call for Proposal
- Project Pipeline
- Admin. & criteria check

### Proposal Assessment

- Review by Bappenas\*
- Shortlisting by Expert Panel

### Prop. Development

- Dev. of Log Frame, Detailed Work Plan & Budget, Institutional Arrangement

### Funding Approval

- SC/MWA approval/recommendation
- Contract signing

## Project Implementation

### Start Up

- Institutional setup
- PMU establishment
- SOP endorsement
- Kick-off meeting

### Monitoring and Evaluation

- Clinic coaching
- Program. monitoring
- Financial Spot-check
- Project Board Meeting

### Audit

- Internal Audit
- External Audit

### Project Closing

- Program
- Financial
- Asset handover

## Project Review

### Internal

- Lessons learned & best practices compilation
- Impact Evaluation

### External

- Independent Review
- Donor review

Inputs for investment strategy and upcoming project selection

# Institutional Progress

## Achievements

- Establishment of system and trust fund operation
- Policy dialogue and policy coordination forum
- Full cycle of project management cycle with unqualified external audit opinion
- Replication and scaling up of pilot projects
- Model in development of Presidential Regulation on Trust Fund

## Challenges

- Strategic function as coordinating mechanism for climate finance from international sources
- Capacity development for project implementor
- Direct fund channeling to local government, NGO/CSO, university
- Accelerated growth of responsibilities and staffing of Secretariat

## Lessons Learned

- Participatory approach in monitoring and evaluation of project implementation.
- Comprehensive project selection process incl. readiness of project proponent
- Standardized monitoring and evaluation procedures.
- Political support and capacity of the project implementor (EA, IA and PMU).

## Peat land Management Pilot Project (Min. of Agriculture)

- Identification and mapping of biophysical characteristics and properties of peatland in 4 project sites: Central Kalimantan, South Kalimantan, Jambi, Riau.
- Sustainable peatland agriculture management guideline, basis for national level guideline.
- Training in GHG emission and carbon stock measurement to government officials, local university & experts in 4 provinces of project site.



# Way Forward

