



Indonesia Climate Change
Trust Fund (ICCTF)

Annual Report 2015





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Trust Fund (ICCTF)



PREFACE



Dear Stakeholders,

All praise to God Almighty for His grace so the Indonesia Climate Change Trust Fund (ICCTF) was able to maintain a positive and satisfactory works in 2015. Although ICCTF has only become a national trust fund in 2015, ICCTF has been able to distribute fund for climate change programmes in accordance with 2015-2019 National Mid-term Programme Plan.

In 2015, ICCTF received funding and commitment supports from various development partners, including USAID, United Kingdom Climate Change Unit (UKCCU), and Royal Danish Embassy, as well as funding support from State Revenues and Expenditure Budget (APBN) as a commitment of the Government of Indonesia to combat climate change. ICCTF has also been increasing its engagement with other parties, including private sector.

Of course the ICCTF has also the task to distribute the fund it received to the appropriate climate change activities. In 2015, ICCTF funded six Small Scale Programmes in locations accross Indonesia in line with its focus areas, which are Land-based Mitigation, Energy, as well as Resilience and Adaptation.

ICCTF Board of Trustees realized that 2015 was a promising year for climate change. At the Conference of Parties (COP) 21 in Paris, France, end of 2015, worldwide nations made an agreement to suppress earth temperature not more than 2 degrees Celsius. In response to this, Indonesia needs to be ready to hold a more important role in reaching that target.

President Joko Widodo has also stated Indonesia's new target in reducing greenhouse gasses emission, which is 29% by independent effort and 41% with international support by 2030. ICCTF needs to be ready to be a qualified funding institution to coordinate these international funds for climate change actions. In 2016, ICCTF will increase its institutional capacity building as its programmes and financial support are growing. In stepping into the future, ICCTF needs to strengthen itself, together with all developing partners. And we believe, ICCTF is ready to face those challenges.

On behalf of ICCTF Board of Trustees,

Endah Murniningtyas

Deputy of Maritime and Natural Resources
Ministry of National Development Planning/Bappenas
As the Head of ICCTF Board of Trustees



EXECUTIVE SUMMARY

Indonesia Climate Change Trust Fund (ICCTF) is the only national trust fund for climate change in Indonesia which is governed by the Government of Indonesia. ICCTF was established to increase the effectiveness and efficiency of Indonesia's coordination in combating climate change in Indonesia in accordance with the National/Local Action Plan on Mitigation (RAN/RAD-GRK) and the National Action Plan on Adaptation (RAN-API).

In 2015, ICCTF continued its institutional strengthening activities and climate change management programmes which have been conducted since the establishment of the institution in 2009. Within the period of 2010-2015, ICCTF had funded 18 climate change actions all around Indonesia in accordance with its three focus areas—land-based mitigation, energy, as well as resilience and adaptation—with Ministries/Institutions, Non-Governmental Organizations, and universities as the project implementers.

ACHIEVEMENTS

1. ICCTF has positioned itself as a legitimate institution in managing Government of Indonesia's initiative to fund climate change actions with a credible reputation in international, regional, national, and local level.
2. An organizational structure has been established, with the Board of Trustees and Bank Mandiri as Fund Manager as part of ICCTF as an institution. In running its function, the Board of Trustees is supported by ICCTF Secretariat.
3. ICCTF has fully operated as a trust fund and succeeded in selecting and funding climate change programmes which are conducted in several locations in Indonesia.
4. In 2015, ICCTF received financial support from APBN of 15.3 billion rupiah to support operational activities of ICCTF Secretariat and to fund six Small Scale Programmes through self-management system.
5. ICCTF also received international support in funding which come from the Royal Danish Embassy and United States Agency for International Development (USAID). Funds from the Royal Danish Government is given to strengthen the selection and monitoring process of ICCTF's projects, as well as to fund Small Scale Programme. Meanwhile, USAID fund is used for ICCTF's mitigation and adaptation programmes.
6. After ICCTF became a national trust fund, the Standard Operating Procedure from Preparatory Arrangements for ICCTF (PREP-ICCTF) was adjusted to adapt to APBN system. With support from GIZ Indonesia NAMAs Financing Support (GIZ INFIS), grant distribution mechanism concept was arranged and accomplished in a form of an SOP.



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I. BUSINESS REVIEW

ICCTF has been fully operational as a national trust fund and succeeded in selecting and funding climate change programmes which are conducted in several locations in Indonesia. Throughout 2015, ICCTF has funded six Small Scale Programmes through self-management system in North Sumatra, Central Java, West Java, Yogyakarta, and Jakarta. These programmes were implemented through a series of development process of ICCTF's focus areas in accordance to the information from the Board of Trustees, including selection and planning of theme, location, and method of the programmes.

1. PROGRAMME

ICCTF has three focus areas on climate change activities, which are:

Land-Based Mitigation	Energy	Resilience and Adaptation
Focusing on the efforts in reducing deforestation and forest degradation, and to promote peatland and national resource forest management	Focusing on actions to increase energy security and reduce greenhouse gasses emission from energy and industrial sectors	Focusing on actions to anticipate negative impact caused by climate change, response to the risks and seasons/climate uncertainties, vulnerability reduction, and improving safety of people in the most vulnerable sector

1. 1. SMALL SCALE PROGRAMME ACTIVITIES

ICCTF small scale programme activities was effectively started on 1 August 2015 with six project implementers being selected, they were (1) Balai Taman Nasional Gunung Ciremai (TNGC); (2) LPPM Institut Pertanian Bogor; (3) Politeknik ATMI Surakarta; (4) Konphalindo; (5) Bingkai Indonesia, (6) and Pilar Indonesia.

In general, each programme implementer established an implementing team by their own, including in recruiting staff. However, programme implementers were expected to provide substantial outputs as stated under the composed work plan and milestone.

The 2015 Small Scale Programme achievements, generally, are in line with ICCTF's target and reached 95% of the budget. ICCTF Secretariat had anticipate possible problems that might happen due to the adaptation measures on state's budget mechanism by holding mentoring and coaching clinic for project implementers.

a. 2015 SMALL SCALE PROGRAMME ACHIEVEMENTS

1) LAND-BASED MITIGATION



■ Activity

Development of Ecotourism Business Model In National Park of Gunung Ciremai

Project Implementer

Balai Taman Nasional Gunung Ciremai (TNG)

Location

Kuningan Regency, West Java





This programme aimed to build an ecotourism business model in surrounding area near Gunung Ciremai National Park. This ecotourism business model covered management, local tourism product supply in form of program and service, development of local product, marketing, and stakeholder partnership. Another aspect conducted in this programme was skill development for the community in developing ecotourism business.

Achievements:

- Development of Ecotourism Business Models
- Training modules on developing ecotourism business of TNGC in Sagarahiang Village which contains of development of local tourism, travelling, healthy agriculture, and local products
- Development of Ecotourism Business Model Training Modules.
- Development of ecotourism business management for community around TNGC which can be seen from: (a) Support from SKPD Kuningan in developing TNGC's ecotourism business; (b) Community planning on "Usaha Ekowisata Kampung Karuhun Desa Sagarahiang"; (c) Koperasi Lingga Buana as an organization of "Usaha Ekowisata Kampung Karuhun Desa Sagarahiang"; (d) Knowledge development and teamwork skill on ecotourism business in Kampung Karuhun.

Activity

Development of Integrated Energy Biomass Model in Critical Land for Economic Development and Climate Change Mitigation

Project Implementer	LPPM Institut Pertanian Bogor
Location	Cidolog, South Sukabumi, West Java





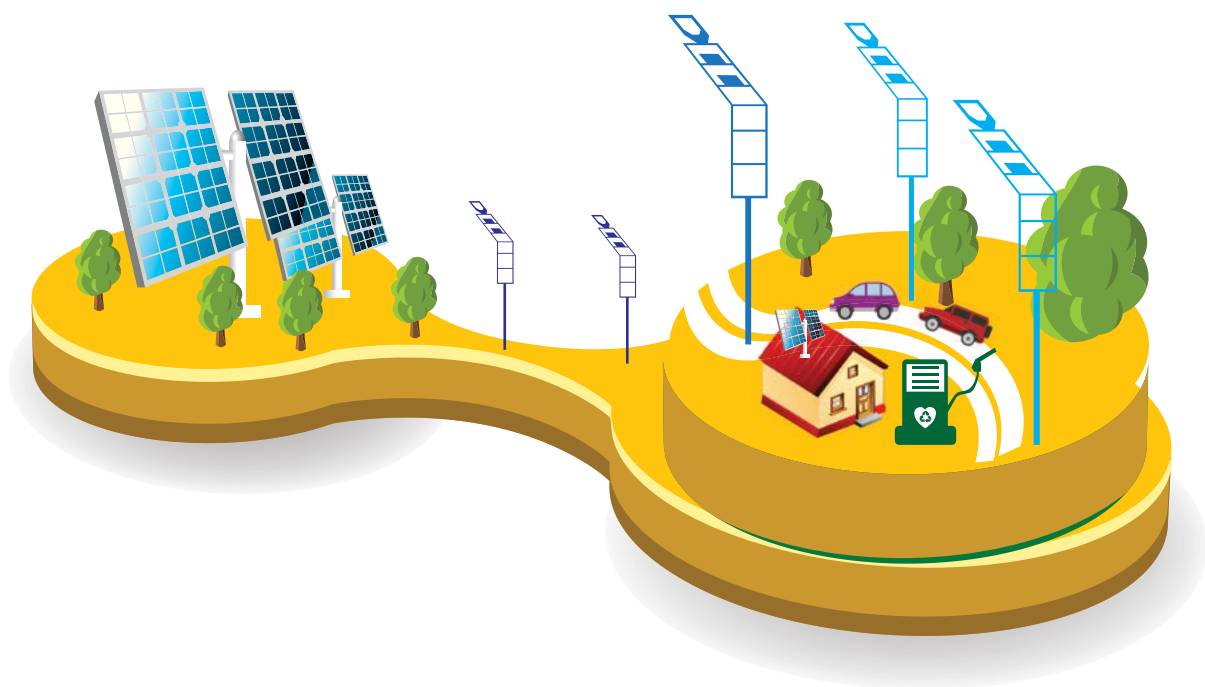
This programme is a replication of ICCTF's successful project in Bangkalan, Madura, carried out in 2014, that combined the concept of integrated energy biomass. This concept was meant to increase people's economic opportunities by aiming to get multiple results in critical lands in Indonesia. For this program, the targeted results were the use of calliandras for wood pellet, flowers for beekeeping, and leaves for goat feed.

Achievements:

- 1 ha of integrated energy biomass with hut, goat pen, honey-bee, and gardening tools
- Four training modules for integrated energy biomass
- 42 trained participants (from farmer's group members) in management of integrated energybiomass
- An increase in participants' knowledge and skills on management of integrated energy biomass (based on pre-test and post-test results)

Contributions of the integrated energy biomass to climate change were: (a) absorption of CO₂ by calliandras up to 30-60 ton/ha/year; (b) transfer of the use of kerosene/coal to wood pellet could reduce CO₂ emission to 75-150 ton/ha/year; and (c) CO₂ emission reduction could reach 525-1.050 ton/year if the impact reaches 50 ha.

2) ENERGY

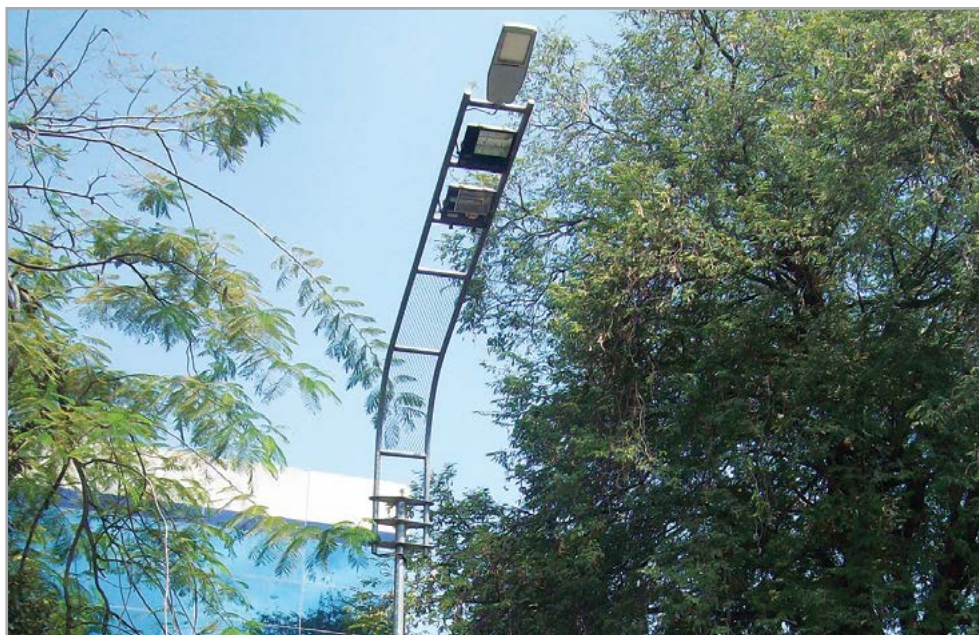


■ Activity

Smart Street Lighting (SSL) System Development in Tourism Area in Central Java

Project Implementer	Politeknik ATMI Surakarta
Location	Karanganyar Regency, Central Java





This programme aimed to build human resource capacity of SSL management in energy efficiency, greenhouse gasses reduction, and tourism area management in Karanganyar Regency.

Achievements:

- Main Plan of SSL Efficiency and Development which was to switch current street lights to LED lights and install electricity meter in several SSL locations, and the results of street light mapping in 2015 stated all the street lights were legal with legalized fee for unregistered lighting based on the coordination with Sanitary and Landscaping Authorities
- From financial calculation, around 2.8 billion rupiah was needed to install electricity meters and change the current street lights with LED technology, financial return would be generated in less than 5 years, up to 50% deduction of electricity rate every year, and 14% of greenhouse gasses emission reduction every year
- Training on geographical information system and SSL efficiency for 30 street lights operators and Sanitary and Landscaping Authorities
- The establishment of SSL Geographical Information System in Karanganyar Regency

■ Activity

Study on Used Cooking Oil as Alternative Source of Renewable Energy

Project Implementer	Konphalindo
Location	Jagakarsa, South Jakarta



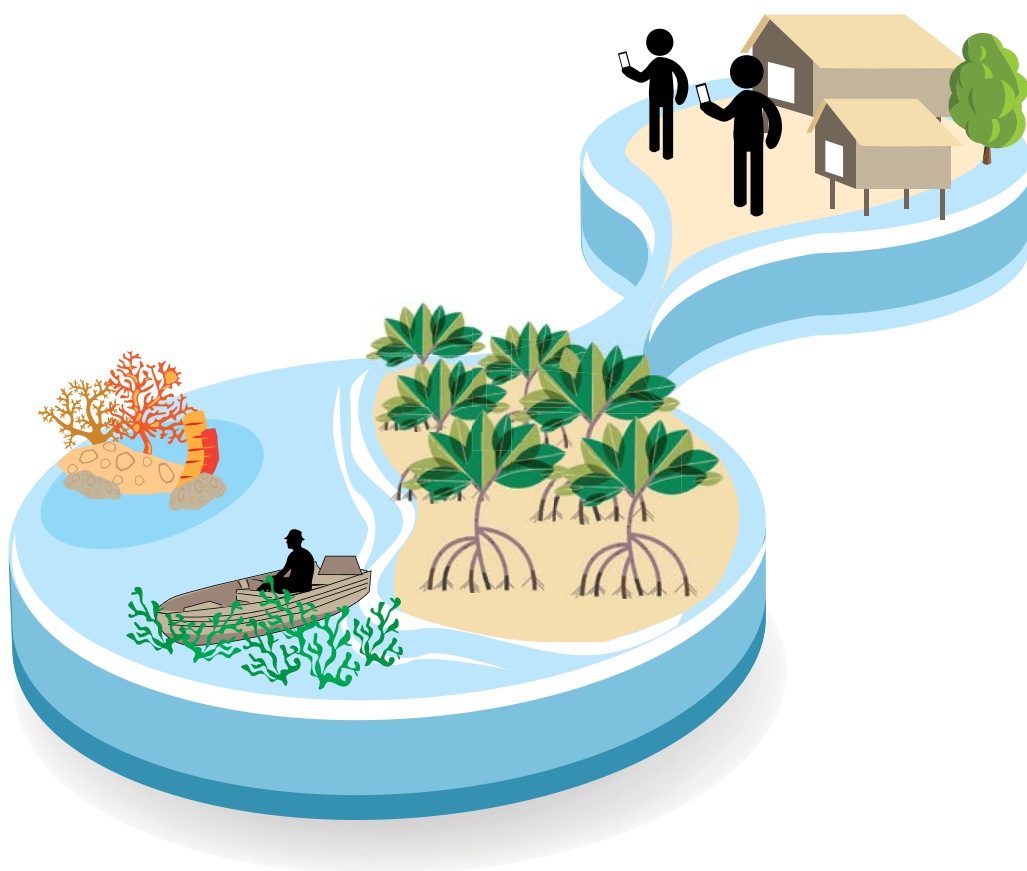


The objectives of this programme are: (a) to compile pilot projects and development of used cooking oil; (b) and to review potential calories, economy, socio-culture, and geo-environment for bio-energy for the development of business model for industrial scale through people empowerment.

Achievements:

- Module of a community-based processing of used cooking oil to biodiesel
- Study results on the potential of a community-based programme of processing used cooking oil into biodiesel
- Document on Indonesia National Standardized biodiesel/used cooking oil

3) RESILIENCE AND ADAPTATION



■ Activity

Reduction of Climate Risks through Climate Information for Coastal People

Project Implementer	Bingkai Indonesia
Location	Yogyakarta and Pelabuhan Ratu, West Java





This programme aimed to implement a people developmental scheme on adapting to the negative impacts of climate change through dissemination of information on climate, weather, and potential fishing grounds. The targets of this programme were Yogyakarta and Pelabuhan Ratu's coastal communities.

Achievements:

- Training on how to access information on climate, weather, and potential fishing grounds for 91 students/teachers and 61 youths
- Dissemination of information on climate, weather, and potential fishing grounds for 82 fishermen living on the coasts of Yogyakarta and Pelabuhan Ratu

■ Activity

Mangrove Management for Ecological and Economical Resilience of Coastal Community

Project Implementer	Pilar Indonesia
Location	Deli Serdang, North Sumatera





This programme aimed to improve people's knowledge on the utilization of mangrove forests for tourism (eco-tourism/educational tourism) and bio-resources, and also to improve the capacity of Indonesia Coastal School (Sekolah Pantai Indonesia)'s school teachers from 15 provinces and to increase high school students' knowledge on mangrove forest.

Achievements:

- Modules and documents on the utilization of mangrove forest for tourism and bio-resources
- Training on the utilization of bio-resources from mangrove forest for 70 local community members
- Training for 28 Indonesia Coastal School teachers from 14 provinces in Indonesia using modules developed by ICCTF
- 100 high school students received environmental education and introduction to mangrove forests

1.1.2. LESSON LEARNED

Lesson learned from small scale programmes through self-management system using state's budget was summarized into guidelines document where the drafting process was conducted by ICCTF and Bappenas with support from GIZ INFIS.

Lesson Learned from “Development of Integrated Energy Biomass Model in Critical Land for Economic Development and Climate Change Mitigation” Programme.

- **Level of Success and People Experience**

The success of the demonstration plot of integrated energy biomass was determined by farmers' experience level in planting calliandras, breeding goats, and beekeeping.

- **Marketing and Access to Market**

Marketing guarantee on demonstration plot products was crucial in increasing the farmers' motivation to build new integrated energy biomass. Private sector's participation was also expected to maintain continuation of this programme.

- **Site Selection**

The criteria for an ideal location were as follow: (i) the area has no electricity or the petroleum price there is much higher than other area; (ii) an area with critical land which needs rehabilitation/reforestation actions would be prioritized; (iii) the majority of its people work as farmers whose lives depend on land.

- **Development of Ecotourism Business Model In National Park of Gunung Ciremai**

The people play a critical role, however, commitment from local actors is also important for the continuance of the initiative and the synergy between sectors is the main key of the implementation of such initiative. Partnership between the people and the government is also very essential, especially in participating and giving guidance.

- **Study on Used Cooking Oil as Alternative Source of Renewable Energy**

The use of this technology needs a transformation of people's behaviour, and therefore needs a strong social movement, i.e. providing people with knowledge in transforming used cooking oil into biodiesel using an easy-to-use technology.

1. 2. DEVELOPMENT OF ICCTF'S FOCUS AREAS

In 2015, ICCTF conducted several meetings and site activities with Bappenas' Directorate of Energy, Telecommunication and Information (ETI) to explore the possibility of collaboration of renewable energy and land-based mitigation programmes. Development of bioethanol industry for bio-fuel integrated with the increase of food and animal feed supplies was one of the proposed activities on Directorate of ETI's list of priorities. Surveys to potential locations were also conducted by ICCTF and Directorate of ETI to identify locations for bioethanol-sorghum development in integrated energy biomass framework with ranch and energy production process (biogas-bioethanol-wood pellet).

Furthermore, ICCTF held a discussion concerning biomass stove utilization and the possibility of using biomass as an alternative and renewable energy in household scale. ICCTF's discussion presented the inventor of biomass stove from Brawijaya University, Malang, as a speaker. From the discussion, ICCTF would explore on the possibility of partnership in development of biomass stove with Brawijaya University and development of wood pellet programme which has been conducted in Bangkalan, Madura.

1. 3. CALL FOR PROPOSAL 2016

Call for Proposal for ICCTF Small Scale Programmes in 2016 was opened in the period of 24 November-23 December 2015 for Civil Society Organizations (CSOs), Non-Government Organizations (NGOs), -universities, research institutions, and non-governmental research institutions with experience in mitigation, adaptation, and community-based natural resource management. The announcement of the Call for Proposal had raised public enthusiasm and ICCTF received 366 proposals during the period. Selection process would continue until project implementers for 2016 Small Scale Programme were selected in the beginning of 2016.

1. 4. ICCTF SUPPORTS TOWARDS NATIONALLY APPROPRIATE MITIGATION ACTIONS (NAMAS)

ICCTF continued to work on the result of NAMAs Summit which have been held by ICCTF, Bappenas, and supported by GIZ Indonesia NAMAs Financing Support (GIZ INFIS) in September 2014. Together with GIZ, ICCTF conducted reviews on 12 proposals to analyze the degree of readiness to implement the activities. Engagement towards several targeted activities and institutions had also initiated, including to NAMA Facility, Green Climate Fund (GCF), Global Environment Fund (GEF), Ministry of Energy and Mineral Resources, Ministry of Industry, Ministry of Public Works and Public Housing, Ministry of Transport, and Ministry of Environment and Forestry.

ICCTF's capacity building related to NAMAs were still continuously conducted. With support from GIZ INFIS, information exchange through internal discussion with ICCTF Secretariat were able to be performed routinely. ICCTF was also involved in NAMAs coordination meeting held by Bappenas in October 2015.

In 2015, ICCTF, supported by local consultants, conducted several reviews resulted in the following outputs:

- (a) Document of NAMAs development concept and NAMAs proposal in multiple sectors
- (a) Guidance on developing NAMAs proposal for Ministries, Local Government, and private sector who are fit with ICCTF requirements
- (b) NAMAs development in sustainable building management which can be developed to NAMAs proposal
- (c) NAMAs proposal for city waste management that are feasible and fulfill the requirements for achievement level, reporting, and diversification according to the applicable standard

1. 5. IMPACT ASSESMENT

In 2015, ICCTF conducted impact assessment for programmes with Ministry of Agriculture, Ministry of Forestry, and Ministry of Health. The aim was to conduct appraisal on short/mid-term impact outcome, long-term impact outcome, and ICCTF's II Phase programmes' continuity with Ministries for the period of 2012-2014

“Sustainable Management of Degraded Peatland to Mitigate Green House Gas Emissions and Optimize Crop Productivity”

Implementer: Ministry of Agriculture

Second phase of this Ministry of Agriculture programme was able to offer answers towards two challenges in peatland management which were greenhouse gasses emission reduction and increased plants productivities. This programme was able to provide both basis and sustainable results that has the potential to be adopted, developed, and continued in various forms in the future.

This programme also accomplished an outcome through its intervention which can be seen within one year after the project ends. However, to reverberate the results of this programme, the dissemination of information should be systematically strengthened and planned, especially to support adoption actions on a wider scale and policy changing in various levels.

“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”

Implementer: Ministry of Forestry

The evaluation of the project implemented by the Ministry of Forestry in 2012-2014 showed encouraging results. Wood processing businesses of calliandras into wood pellets as a source of biomass energy remains collective agenda for the project' beneficiaries. Not only for pursuing an additional income for the community, but also increased the capacity of ecosystems in Bangkalan, Madura, as carbon sequestration area.

The results of field survey showed two types of benefits derived by the community. Firstly, the actual benefits; secondly, the potential benefits. The actual benefits received by the community was the increase of knowledge, skills, and awareness related to the planting of calliandras and governing forestry with regard to the principles of sustainable forest management and business development of forest products in the local area. Meanwhile, the potential benefit was the production of wood pellets that could contribute positively to increase sources of income of local communities.

“Health Vulnerability: Assessment, Mapping, and Community Based Adaptation on Dengue Hemorrhagic Fever and Malaria Diseases”

Implementer: Ministry of Health

The success of this programme took place in two levels, i.e. City Health Office and the people. The City Health Office of Surabaya conducted a PACT replication method in Tanah Kali Kedinding, one of the sub-district with a high number of dengue fever.

This small scale replication was conducted on disease eradication division using sub-national budget and supported by consultants in guidance and monitoring activities. Other efficacies of this project were people's behaviour change from awareness raising activities in waste management and drainage reinfrastructure to reduce mosquitos breeding. In general, the impact of this programme is the application of Climate Change Adaptation (API) strategy in both replication and social behaviour.

1. 6. GENDER MAINSTREAMING

Politeknik ATMI Surakarta

This programme conducted by Politeknik ATMI Surakarta had opened up an equal access for both men and women to participate in the activities and get the access to the project impact. The team of Politeknik ATMI Surakarta had stated that they would provide support for gender mainstreaming in national development with Presidential Instruction No. 9/2000 as the basis in facing gender inequality in Indonesia.

LPPM IPB

In the culture of the Sundanese, the majority of the people living in area where this LPPM IPB programme was conducted, there is a division of tasks in family or community. For example, women would take the task of raising goats and beekeeping, while men would take the task of developing plots and planting calliandras.



2. FUNDRAISING AND COMMUNICATION

2. 1. MEDIA ENGAGEMENT

2.1.1. ICCTF MEDIA AWARD 2015



ICCTF held the third ICCTF Media Award, a journalism competition, in September- October 2015. This competition aimed to raise media and public participation in spreading information and knowledge on climate change.

In this year, ICCTF Media Award raise “Climate Change Mitigation and Adaptation for Indonesians Welfare” as the topic, where journalists and public were welcome to join the competition. ICCTF received 56 news pieces in written, audio, visual, and audio-visual formats from all participants from various backgrounds all over Indonesia.

The winning journalism works were selected by the judges, Ibu Wahyuningsih Darajati (Director of Environmental Affairs, Bappenas as the Secretary of ICCTF Board of Trustees); Prof. Jatna Supriatna (Director of Research Centre for Climate Change University of Indonesia, a member of ICCTF Board of Trustees); and Untung Widyanto (senior journalist of Tempo). The three judges decided to select three news pieces which had successfully illustrated theme of ICCTF Media Award 2015. The winners were Siti Retno Wulandari from Media Indonesia (Reducing Pollution in Angkot City), Ari Faturrokhmah from

RRI (A Perfect Step for Cultural Change), and Amri Mahbub from Tempo with (Electrical Source Seaweed).

The three winners of ICCTF Media Award won a trip to Paris, France, to cover the 21 United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) at the end of November 2015. The conference was an important forum for Indonesia and the world to continue climate actions nationally and globally. The reward was supported by GIZ INFIS.

2.1.2 VISIT TO BMKG

Untuk meningkatkan pemahaman jurnalis mengenai perubahan iklim secara ilmiah dan menyeluruh, ICCTF mengadakan kegiatan kunjungan media ke Kantor Pusat Badan Meteorologi, Klimatologi, dan Geofisika (BMKG), Jakarta, pada tanggal 16 September 2015. Selain berdiskusi dengan ICCTF dan BMKG, para jurnalis juga dapat melihat langsung ruang operasional sistem peringatan dini terkait klimatologi, meteorologi, dan geofisika BMKG sehingga mereka memiliki pemahaman ilmiah dalam melakukan peliputan.

Kegiatan ini diikuti oleh para jurnalis dari *Antara*, *BeritaSatu TV*, *CNN Indonesia*, *Rappler Indonesia*, dan *Mongabay*. Antusiasme media sangat tinggi saat melakukan kunjungan ke ruang-ruang operasional tersebut. Selain melakukan liputan untuk ditayangkan di media, para jurnalis juga memberikan informasi mengenai kunjungan tersebut di media sosial mereka.

2.1.3. Media Gathering

To improve journalists' scientific knowledge on climate change, ICCTF held a media visit to the Headquarter of Meteorology, Climatology, and Geophysics Agency (BMKG) in Jakarta on 16 September 2015. In addition to having a discussion with ICCTF and BMKG, journalists were also allowed to see early warning operational system rooms related to climatology, meteorology and geophysics of BMKG so they have a better scientific understanding on covering the news.

Journalists from *Antara*, *BeritaSatu TV*, *CNN Indonesia*, *Rappler Indonesia*, and *Mongabay* joined this visit. Besides reporting for their media outlets, the journalists also posted the information of the visit on their social media accounts.

2. 2. ICCTF PARTICIPATION IN NATIONAL AND INTERNATIONAL EVENTS

With ICCTF's active participation in climate change national and international events, ICCTF has positioned itself as a trust fund with contribution towards national and global climate change management. This participation has introduced the institutional brand of ICCTF towards stakeholders and the public as well, so it would raise people's awareness and participation in climate change management.

2.2.1. The 5th Indonesia Climate Change Education Forum & Expo

The aim of 5th Indonesia Climate Change Education Forum & Expo held in Jakarta on 14-17 Mei 2015 was to promote low emission strategy done by the stakeholders which also became a forum to exchange information on the possibility of partnerships. The expo displayed national education programmes on greenhouse gasses emission reduction and adaptation on climate change which were held by national stakeholders. On this event, ICCTF disseminated communication materials on climate change for visitors.

2.2.2. Asia Pacific Climate Financing Week

ICCTF participated in Asia-Pacific Climate Financing Week held by Ministry of Finance and UNDP in Jakarta, 1-3 September 2015. ICCTF displayed communication materials of its programmes for the past five years. Participants from Asia-Pacific countries had discussions about each country's programmes at the booths, including ICCTF's which were visited by representatives of national trust funds from other countries.

2.2.3. Indonesia Climate Week

ICCTF provide financial support for Indonesia Climate Week held by Indonesian Municipalities Association (APEKSI) and Indonesia Climate Alliance (ICA) in Jakarta, 6-9 October 2015. At this event, many parties work in climate change sector around Indonesia participated in seminar, training, dialogue, expo, and site visits.

2.2.4. Conference of the Parties COP 21/CMP 11

Bappenas and ICCTF participated in UNFCCC COP 21/CMP 11 in Paris, France, on 30 November 2015 to 11 December 2015. In this world forum, Bappenas and ICCTF held two panel discussions in Indonesia Pavilion, i.e. (i) Making Green Economy Work: Exploring Potential Mitigation Actions in Indonesia; and (ii) Raising Public Awareness of Climate Change: Spreading the Word through Media.



The first panel discussion was presented by Dr. Helmut Dotzauer (Program Director of GIZ GE-LAMAI-I/LAMA-I and GIZ BIOCLIME), Rida Mulyana (General Director of Renewable Energy and Energy Conservation of Ministry of Energy and Natural Resources), Syamsidar Thamrin (Head of Sub-directorate of Climate and Weather of Bappenas), Yvo de Boer (Director-General of the Global Green Growth Institute), Dr. Sonya Dewi (Indonesia Country Coordinator and Senior Landscape Ecologist of World Agroforestry Centre), and Jean-Claude Pires (Deputy Director of AFD Department for Asia).

Meanwhile, Megan Rowling (journalist of Thomson Reuters); Untung Widyanto (senior journalist of Tempo and Fellow of Climate Change Media Partnership), and Ari Faturrokhmah-RRRI, Amri Mahmud-Tempo, and Siti Retno Wulandari-Media Indonesia (winners of ICCTF Media Award 2015) were the panelists at the second panel discussion. These discussions received a good response from national and international attending the event.

2. 3. DONOR, MEDIA, AND STAKEHOLDERS VISIT

2.3.1. Visit to Location of Small Scale Programme Conducted by ARuPA in Yogyakarta

On 11-13 June 2015, ICCTF held a donor, media, and stakeholders visit to the location of Small Scale Programme conducted by ARuPA in Terong Village, Jogjakarta which was funded in 2014 by PREP-ICCTF. This event was

attended by representations of Bappenas, developing partners (USAID, GIZ INFIS, GIZ PAKLIM, and CDKN), as well as local and national media outlets (*RRI*, *BeritaSatu.com*, *DAAI TV*, and *Mongabay*).

The aim of this activity was to provide donors, media, and stakeholders with information on project success funded by ICCTF. People in Terong Village, with supports from ICCTF and ARuPA, had planted more than five thousand teak and durian tress in 312.32 ha area, developed a micro financial institution, and created biogas project plan to fulfill energy demand by using animal' waste.

The aim of this activity was to provide donors, media, and stakeholders with information on project success funded by ICCTF. People in Terong Village, with supports from ICCTF and ARuPA, had planted more than five thousand teak and durian tress in 312.32 ha area, developed a micro financial institution, and created biogas project plan to fulfill energy demand by using animal' waste.

2.3.2. Visit to Location of Small Scale Programme Conducted by Politeknik ATMI in Surakarta, Central Java

As a continuation of the energy saving programme in Surakarta, on 19 August 2015, ICCTF held a visit to the location of Smart Street Lighting Programme in Karanganyar, Surakarta, Central Java, conducted by ICCTF and Politeknik ATMI Surakarta. The programme was a development of a software which was able to give a specific data of the flow of the electric current mapped in a certain area.

During the visit, teams from Politeknik ATMI Surakarta, ICCTF, and Bappenas examined the present state of the street lighting around Sukuh Temple Area before the mapping survey was conducted.. It was expected with the efficiency of energy rate from this programme, the current street lights could be improved, especially for tourism sector.

2.3.3. Visit to Location of Small Scale Programme Conducted by Pilar Indonesia in Deli Serdang, North Sumatera

To increase donors, media, and stakeholders' knowledge on its adaptation and resilience programme, ICCTF held a site visit to ICCTF and Pilar Indonesia's programme located in Percut Village, Deli Serdang, North Sumatera, on 11-13 November 2015. This activity was participated by Prof. Jatna Supriatna (member of ICCTF's Board of Trustees), representatives of Bappenas, developing partners (GIZ INFIS, GIZ PAKLIM, and CDKN), representatives

of stakeholders (BMKG, Bank Mandiri, and Young Politician from Indonesia Youth Team for Climate Change), as well as local and national media (Antara, Tempo, Media Indonesia, Republika, Mongabay, Harian Analisa, Sumut Pos, Tribun Medan, Medan Bisnis, Waspada Online, and Radio SAR FM Sergai). This programme had strengthen the economy of the people living in Percut Village through business production of mangrove. During the visit, participants could see the location of mangrove conservation, taste mangrove products, and have a discussion with the stakeholders, including the villagers and students from SMAN 1 Medan and Madrassah Aliah PAB Sampali who received training as a part of the programme.

2. 4. DISCUSSION ON CLIMATE CHANGE FUNDING

With support from GIZ INFIS, ICCTF held a Focus Group Discussion (FGD) themed “Mobilization of Climate Change and Institutional Funding” in Jakarta, on 26 November 2015. The speakers of the event were Bapak Sarwono Kusumaatmadja (Chairman of the Advisory Council for Climate Change), Bapak Ismid Hadad (Chair of Governing Board KEHATI), and Bapak Kurniawan Ariadi (Head of Sub-directorate of Asian Bilateral Funding of Bappenas).

This event was also attended by stakeholders work in climate change and funding sectors, including from Bappenas, Ministry of Finance, Indonesia Financial Services Authority, REDD+ Management Agency, ICED USAID, KEHATI, and the media. From the discussion, ICCTF received many inputs to develop its climate change funding institution. The conclusions from the FGD were as follow:

1. ICCTF would need to revise its blue print related to the institution format and business strategy. For this revision, ICCTF may consult with developing partners, including GIZ INFIS and ICED USAID.
2. ICCTF would make adjustment in order to improve institution’s role and capability, including institutional, regulatory, and human resources system adjustments.
3. Future cooperation shall not only be in funding, but also in programme partnerships, especially with private sectors.

3. PARTNERSHIP

ICCTF's role as a national trust fund for climate change in Indonesia is to raise and distribute funding from sources, including international donors, multilateral funders, and Government of Indonesia. ICCTF continued to build partnerships with many parties to play its role, including with developing partners and private sector.

USAID

ICCTF received USD 5 million fund from USAID for mitigation and adaptation actions. The signing of the agreement between USAID and ICCTF was held during the Board of Trustees Meeting on 19 June 2015. This funding support would be used to fund climate change programmes implemented by Non-Governmental Organizations.

The Royale Danish Embassy

The Royale Danish Embassy provided fund for ICCTF through Environment Support Program Phase III (ESP3) and DANIDA which aimed to provide support in planning, implementation, monitoring, effective evaluation towards greenhouse gasses emission reduction and climate change adaptation actions, including environmental and methods consideration.

United Kingdom Climate Change Unit (UKCCU)

UKCCU provided funding to ICCTF in amount of GBP 3 million for land-based mitigation actions. Several coordination meetings and workshops were held in 2015, including workshop on proposal drafting and discussion to receive comments concerning draft of the proposal with Bappenas and UKCCU.

The Climate Development and Knowledge Network (CDKN)

In 2015, CDKN provided technical assistance to ICCTF through Æquilibrium Consulting GmbH. This assistance was given to prepare ICCTF in accessing global climate change fund as a National Implementing Entity (NIE), particularly Green Climate Fund (GCF), and to be able to operate based on international climate change funding management standard.

ADAPT ASIA

ADAPT Asia Pacific, a regional programme funded by USAID, continued to provide technical support for ICCTF in 2015, which include project pipeline development for adaptation, arrangement of monitoring and proposal selection outline, and environment and social safeguard protocol.

GIZ INFIS

GIZ INFIS was continuously providing assistance for ICCTF through capacity building for ICCTF staff and institutional strengthening, including development

of ICCTF's Standard Operating Procedure (SOP). In addition, GIZ INFIS also facilitated the development of reviews on ICCTF's roadmap and followed up on the development of regulations concerning fundraising and fund distribution, including ICCTF capacity building on account system and drafting on technical guidance for Small Scale Programme. GIZ INFIS supported ICCTF to move faster in developing institution's mechanism, especially technical support on submission of new policy to help ICCTF function better as an effective climate change trust fund that is able to distribute the fund to Ministries and other beneficiaries. GIZ INFIS also supported early assessment on technical requirements for ICCTF to access GCF fund. This activity resulted in recommendation on knowledge management and filing system in the internal of ICCTF in accordance with ICCTF's effort to become NIE.

UNOPS, UNEP DTU Partnership, and Ministry of Industry

ICCTF supported the event of "Technical Assistance from ADMIRE on Cement NAMA: "Reducing Co2 and Closing the Waste Gap: Encouraging Waste-to-Energy in the Indonesian Cement Sector" which was a joint project between United Nations Office for Project Services (UNOPS), UNEP DTU Partnership, and Ministry of Industry. This activity aimed to reduce CO2 emission in cement industry by reducing coal consumption and increasing the use of alternative fuel from industrial and municipal waste.

Private Sector

In 2015, following up previous discussions with KADIN, ICCTF held several meetings with Indonesian Business Council for Sustainable Development (IB-SCD) to build a relation between ICCTF with the Council's members. In addition to conducting meetings with KADIN, ICCTF had also conducted discussion with private companies to explore the possibilities of establishing partnerships through CSR programmes or mechanism in proportion of activities.

II. CAPACITY AND INSTITUTIONAL DEVELOPMENT

1. ICCTF'S LEGAL STATUS

ICCTF Secretariat participated in a public discussion held by Directorate General of Treasury of Ministry of Finance in Jakarta on 11 September 2015. This activity aimed to provide clarity regarding grants management arrangements administered by the Minister of Finance as the authority of the State Financial management (not just the PMK Number 252 / PMK.05 / 2014 or PMK 190 / PMK.05 / 2011).

This discussion was a follow-up from the previous meeting held by Deputy Ministry for Environment and Natural Resources of Bappenas on 3 July 2015. Participants attending the meeting were representatives from Bappenas, Ministry of Finance, GIZ INFIS, and consultant from LPEM UI.

The participants discussed ICCTF position as a Working Unit as stipulated under Government Regulation No. 45/2013 which have limited duty only to implement the budget, while the grant funds shall be managed by the Ministry of Finance as the State General Treasurer. It was discussed that ICCTF needed to find the right solutions so the role and function of ICCTF in managing fund related to climate change could be applied optimally.

2. BOARD OF TRUSTEES MEETING

In 2015, LWA ICCTF held two Board of Trutees Meetings on 9 June 2015 and 17 November 2015. In the first MWA Meeting, ICCTF and USAID signed Programme Contribution Agreement worth USD 5 million. The agenda discussed were: (a) updated information on climate change policy in Indonesia in the period of 2015-2019; (b) new funding from USAID, UKCCU, dan DANIDA; (c) introduction of ICCTF Executive Director and Working Unit MWA ICCTF; (d) presentation on ICCTF's progress and achievement and approval on proposed Small Scale Programmes 2015; (e) agreement signing between ICCTF and USAID.

The second Board of Trustees meeting discussed several topics, including: (a) information on climate change policy progress in Indonesia; (b) presentation on follow-up from previous Board of Trustees Meeting; (c) new membership of ICCTF's Board of Trustees; (d) progress of Small Scale Programme 2015; (e) financial status of ICCTF; (f) ICCTF 2016-2019 workplan and annual workplan for 2016; (g) Call for Proposal 2016.

3. USAID SIT ON ICCTF BOARD OF TRUSTEES

Representation of USAID sit on ICCTF Board of Trustees in 2015 referring to: (a) Minister Regulation of National Development Planning/Head of Bappenas No. 3/2013 on the Establishment of ICCTF's Board of Trustees as ammended by the Miniter Regulation of National Development Planning/Head of Bappenas No. 10/2014; (b) implementation of Bylaws of ICCTF; (c) the signing of USAID Program Contribution Agreement, USAID Support for ICCTF 2015-2018 during the Board of Trustees Meeting on 19 June 2015, the value of fund to support ICCTF (among the three biggest contributors) and to appreciate USAID's commitment in climate change mitigation actions in Indonesia.

4. RISK MANAGEMENT

	Assesment	Mitigation Strategy
Regulation		
As stipulated in Presidential Regulation No. 80/2011, ICCTF as a National Trust Fund could distribute grant to Ministries/ Institutions, Local Governments, and Non-Government Organizations. However, the latter two Regulations of Ministry of Finance were not in line with the Regulation No.80 / 2011, this has caused some limitations for ICCTF in its operation and experience legal uncertainty to carry out its activities.	High	ICCTF has proposed the drafting of the Special Regulation (Regulation of Ministry of Finance) on Grant Recieving and Disbursement for ICCTF, given the absence of trust fund regulation that allows fund distribution to Ministries/other institutions. ICCTF also discussed the preparation for the Special Presidential Regulation.

Operation		
<ul style="list-style-type: none"> • The process of budget revision from Bappenas Working Unit to MWA ICCTF Working Unit required a long process. • Establishment of a new Working Unit took up five months of implementation and made an impact on the disbursement of the Budget Implementation List (DIPA). • The starting date of Small Scale Programme was late due to intensive coordination and consolidation process being undertaken. • Mobilization of human resources for the implementation of Small Scale Programmes was high and all resources were concentrated on the implementation of these activities. 	Medium	<p>Solutions taken:</p> <ul style="list-style-type: none"> • Development of workplan and budget should be in line with the current situation of human resources which were still not optimal. • Balance distribution of human resources to all ICCTF activities. • Expedite recruitment process of replacement of out-going key staff to oversee overall ICCTF activities

5. PREPARATION TO BE ACCREDITED AS NATIONAL IMPLEMENTING ENTITY (NIE) FOR GREEN CLIMATE FUND (GCF)

ICCTF received support from Climate & Development Knowledge Network (CDKN) and GIZ INFIS to prepare ICCTF to be fully accredited as a National Implementing Entity (NIE) for Green Climate Fund (GCF). CDKN through its selected partner Æquilibrium Consulting GmbH assisted in reviewing legal basis, internal control, project management, monitoring and evaluation, fraud control and irregular practices, Environmental Social and Safeguard (ESS), procurement system, dan human resources.

6. ICCTF SECRETARIAT STAFF CAPACITY BUILDING

In 2015, ICCTF Secretariat conducted a series of capacity-building related activities with support from GIZ INFIS.

A Series of Short Trainings on APBN Mechanism

The training on APBN mechanism aimed to provide a better understanding to the ICCTF Secretariat and ICCTF Working Unit. The training invited speakers from Ministry of Finance and were organized by ICCTF with support of GIZ INFIS on 21 May 2015 (Phase I) and 24 June 2015 (Phase II).

Training on ICCTF Grant Channeling Mechanism

The training held on 1-2 July 2015 discussed mechanisms of receiving and disbursing fund from ICCTF to local government and third parties (such as private sector, NGOs, CSOs, and universities) with the objective to increase the knowledge of ICCTF as well as to enhance the common understanding on the role of each unit in the implementation of ICCTF fund disbursement. As a follow-up, ICCTF Secretariat also conducted refreshment training on financial reporting using state budget mechanism by inviting relevant units in Bappenas such as Finance Unit.

Climate Finance Training

The training took place on 28-29 October 2015 as a part of capacity building for ICCTF and its stakeholders on climate change financing and policies. In the training, various topics were discussed, including the issue of climate change in the international community and the readiness of a country to access international funding for climate change. Bappenas representative as one of the speakers of the training also explained about the development of climate change policy in Indonesia and funding opportunities. In addition, Indonesia PT Sarana Multi Infrastruktur (PT SMI) as one of the funding agencies that plays an active role in the implementation of infrastructure projects, also conveyed the experience in the implementation of climate change through cooperation with the private sector.

Accessing Private Sector Financing for Renewable Energy and Energy Efficiency Projects

In 2015, ICCTF nominated one senior staff to participate in a four-day "Accessing Private Sector Financing for Renewable Energy And Energy Efficiency Projects" training organized by GIZ dan Singapore Cooperation Programme. The training aimed to enhance the understanding of the participants on climate financing targeted for public and private, the understanding on development of United Nations Framework for Climate Change (UNFCCC) and Green Climate

Fund (GCF) as well as its relevance to the role of private financing, the role and initiative of private sectors in financing renewable and energy efficiency related projects, and the micro-financing role in climate change mitigation.

Coordination Meeting and ICCTF Secretariat Staff Team Building

As a part of enhancing the institutional capacity of ICCTF, ICCTF conducted a coordination meeting and team building in Denpasar, Bali, on 21-23 November 2015. The activity served to build a better communication and common understanding among the Secretariat Staff and its stakeholders. In addition, the participants also visited Yayasan Lengis Hijau, a national NGO works on Renewable Energy and Community Development based in Bali, for comparison study related to management of unused cooking oil to become biodiesel in which ICCTF also implemented a similiar type of program in partnership with Konphalindo in Jakarta.

7. JOINT REVIEW TOWARDS WORKING UNIT MWA ICCTF

Joint review towards Working Unit MWA ICCTF was conducted by Inspectorate of General Administration of Bappenas (IBAU) and Finance and Development Supervisory Board (BPKP) to see the effectiveness of internal control, governance, and compliance of ICCTF towards the existing operating manual, regulations, and procedures to implement the activities and programmes. The results of joint review was satisfactory.

III. FINANCIAL OUTLOOK

For activities related to climate change and the operation of ICCTF's Secretariat in 2015, ICCTF has received funds from various resources including state budget (APBN), dan Danish International Development Agency (DANIDA) Phase I up to IDR 15,98 trillion. In addition, ICCTF also in the process of receiving fund from other resources for activities beyond 2015, including DANIDA Phase II and USAID. Detailed fund received and its utilization is presented as follows:

No	Source of Fund	Fund Received	Fund Disbursed (per 31 December 2015)	Achievement	Utilization of Fund
1	APBN	IDR 15.300.000.000	IDR 13.691.791.810	89.49 %	<ul style="list-style-type: none"> • Small Grant Programmes (SGP) • Communication and Outreach Activities • Development of Project Pipeline • Project Impact Assessment • Capacity-Building for ICCTF • Support for RAN-GRK Secretariat and RAN-API Secretariat • Support for Operation of ICCTF Secretariat
2	DANIDA	<u>First Phase (fund received in December 2014):</u> DKK 350.000 (IDR 687.000.000)	IDR 687.000.000	100 %	<ul style="list-style-type: none"> • The Development of ICCTF Focus Area • Communication and Outreach Activities (including Climate Change Fora) • Strengthening Capacity of ICCTF • Support for Operation of ICCTF Secretariat
		<u>Second Phase (Fund received in January 2016):</u> DKK 1.150.000 (IDR 2.320.312.622)	-	-	-
3	USAID	USD 5.000.000 (IDR 70.275.000.000)	-	< 1%	The fund will be utilized for climate change-related programmes for period of 2016-2018 through Call for Proposal

IV. FUTURE PLAN

During PREP-ICCTF programme in the period 2010-2014, ICCTF has strengthened the institutional framework and became a legitimate funding mechanism for realizing the commitment of Government of Indonesia in creating a low carbon economy. In the process of institutional strengthening , ICCTF has become the main climate change financing institution in Indonesia that are recognized at the level of international, regional, national, and local.

ICCTF is aware of the importance of the road map to move towards the future. Therefore, to ensure all activities of the organization in-line with national priorities, ICCTF has developed a business plan including targets, investment strategy, program priorities and proposed activities with planned budget.

Six pilot projects in the form of Small Scale Programmes funded by state budget were implemented again in 2015. These activities were carried out in accordance with ICCTF focus areas, which are a programme to reduce greenhouse emissions through the protection and rehabilitation of degraded land and buffer zones surroundings the national park (Land-based Mitigation), a pilot program to improve energy efficiency and develop measures of energy conservation (Energy), as well as programmes to increase awareness of climate change among the local communities, including farmers and fishermen, and to introduce practical and suitable actions to be implemented by communities to adapt to the adverse effects of climate change (Resilience and Adaptation) .

Despite all challenges in every transition, including ICCTF which was transformed into a national trust fund, ICCTF needs to face the challenges of these changes to further improve its institutional capacity. The next step in 2016, ICCTF will focus on the following:

1. ICCTF will continue to focus on the development of cooperation with the government and implementing partners. This relationship will serve as a basis for a solid national trust fund.
2. ICCTF will further develop management systems, procedures, and mechanisms, including an independent audit by an external auditor. This is an important strategic improvements that should be made to ensure that the programs funded by ICCTF meet internationally recognized standards and in accordance with the principle of transparency.

3. ICCTF will continue to strengthen the three focus areas and expand the opportunity to become project implementing agencies to non-governmental organizations and civil society organizations, universities, local governments, and the private sector.
4. ICCTF will further develop the management system, the implementation of Enterprise Resource Planning (ERP), procedures, and mechanisms, including independent audit by external auditor.



ANNEX

Annex 1

PROJECT FUNDED BY ICCTF IN 2015

No	Name of Project	Location	Value Program (USD)	Period	Partner	Focus Area
1.	Mangrove Management for Ecological and Economical Resilience of Coastal Community	Deli Serdang, Sumatera Utara	44,400	August-December 2015	Pilar Indonesia	Adaptation & Resilience
2.	Smart Street Lighting (SSL) System Development in Tourism Area in Central Java	Karanganyar District, Jawa Tengah	37,000	August-December 2015	Politeknik ATMI Surakarta	Energy
3.	Study on Used Cooking Oil as Alternative Source of Renewable Energy	Jagakarsa, South Jakarta	37,000	August-December 2015	Konphalindo	Energy
4.	Development of Ecotourism Business Model In National Park of Gunung Ciremai	Kuningan District, West Java	37,000	August-December 2015	Balai Taman Nasional Gunung Ciremai	Land-based Mitigation
5.	Development of Integrated Energy Biomass Model in Critical Land for Economic Development and Climate Change Mitigation	Sub-district Cidolog, Sukabumi, West Java	37, 000	August-December 2015	LPPM IPB	Land-based Mitigation
6.	Reduction of Climate Risks through Climate Information for Coastal People	Yogyakarta and Pelabuhan Ratu, West Java	29, 000	August-December 2015	Perkumpulan Bingkai	Adaptation & Resilience

ICCTF funded Small Scale Programme with the total value of IDR 500,000,000 per project. Exchange rate 2015: 1 USD = IDR 13,500.

Annex 2

ICCTF IN THE NEWS



TEMPO

<https://nasional.tempo.co/read/news/2015/04/30/206662398/memanen-kaliandra-menjadi-energi-baru>

Harvesting Calliandra as a New Energy

TEMPO.CO,

Jakarta – The Japanese businessman arrived at Darul Ittihad Islamic Boarding School after mid-day call of prayer. At first, he proposed himself to be the investor of the wood pellet mill managed by the boarding school located at Kombangan Village, Geger District, Bangkalan Regency, Madura. “But I said that we already had a cooperation with a state-owned enterprise,” said Kiai Haji Irham Rofii, the head of the boarding school via telephone call with Tempo, Wednesday, 19 April 2015.

The businessman then responded with a proposal for Kiai Irham to build another mill in another district in Madura. Irham said that many companies—from Indonesia or abroad—had expressed their interests to do business with him, whether only buying the wood pellets or building partnerships in wood pellet production.

Wood pellets are biofuels made from biomass. Households could use them as fuels for cooking with special stoves. The pellets could also be used as an alternative fuel to coal for factories or power plants. In sub-tropical countries, such as South Korea and Japan, wood pellets are also used as fuels for space heaters.

In Bangkalan, materials used to make the wood pellets were from the calliandra trees (*Calliandra calothyrsus*). Since two years ago, the residents agreed to carry out a 214-hectare calliandra biomass project in the village’s forest and build a wood pellet mill. At the mill, a machine worth Rp 1,2 billion processed the calliandra trunks into pellets.

The mill were built last year with a financial support from Indonesia Climate Change Trust Fund (ICCTF), a body established by the

Ministry of National Development Planning/Bappenas. For this project, both ICCTF and Bappenas were teamed up with the Ministry of Forestry's Directorate of Social Forestry. The project aimed to be a model for actions in climate change mitigation, environmental improvement, and strengthening of people's socio-economic conditions.

Calliandra trees were selected as the main materials because of its fast-growing ability in water-and-nutrient-poor soil and high calories it could produce when burned. The villagers could also plant the calliandras on the sidelines of their teak trees and use its leaves to feed their cattle and goats.

The boarding school then bought the calliandras from the villagers at a price of Rp 550,000 for every pickup car filled with trunks. "This is an extra source of income for us," said a villager, Mohammad Sahrulan, to Tempo when visiting the project site in June 2014. Sahrulan owned a 20-hectare land planted with calliandras and other trees.

During a trial period in June last year, the machine used in Kombangan Village were recorded to produce 1 ton of wood pellets per hour or 220 tons per month. However, as the machine were still under repair, the mill had to stop production while the boarding school were also awaiting the document of management handover from the Ministry of Forestry. After the administrative process had been completed, the state-owned enterprise would invest in a new additional machine for the mill.

Irham said that in a month, the mill could produce 200 tons of wood pellets that would be sold in a price of Rp 1,500 per kilogram. With that calculation, Irham could get an additional income of Rp 300 million per

month. Meanwhile, the monthly operational cost were only Rp 100 million spent in salaries for seven workers, raw materials, electricity, and maintenance. For the next plan, Irham said, the state-owned enterprise would also market their pellets.

Moreover, the villagers agreed to use the biomass as an alternative fuels for cooking. Irham said that there were a researcher from Brawijaya University, Malang, who had developed a prototype of wood-pellet-fueled stove for them. The stoves with a capacity of 1 kilogram were prized at Rp 180,000, while the 3 kilogram ones were prized at Rp 280,000. Irham and other villagers had tested the stoves and found that 1 kilogram of pellets could be burned for 1,5 hours. "It's cheaper than the Elpijis," he said.

Yanto Santosa, Professor at Bogor Institute of Agriculture (IPB)'s Forestry Department, said that there were a number of advantages of using wood pellets as fuels, i.e. the burning of wood pellets does not emit carbon dioxide (CO₂); it applies a simple technology for small-scale industries; and biomass materials are available anywhere in Indonesia, e.g. shrubs, bagasse, palm, straw, and sawdust.

Syamsidar Thamrin, Head of ICCTF Secretariat, said that this renewable energy project in Bangkalan had become a significant contributor to the Local Mitigation Actions in East Java. "We are able to count the carbon sequestered in the energy biomass area and the carbon stored in wood pellets as a replacement for fossil fuels," she said.

Contribution from the energy sector is vital in boosting Indonesia's economic growth of 6 percent per year. Ninety percent of the population in big cities enjoy electricity, but almost half of the rural population do not

have access to it and 42 percent of them still cook using traditional fuels, such as firewood, leaves, and animal dung.

Fuel subsidy policy made by the New Order was continued after the regime fell. In 2014, this subsidy accounted for over 20 percent of central government spending and benefited more middle and upper class citizens who owned motor vehicles. The budget for fuel subsidy was three times greater than that budgeted for health or infrastructure.

For five years the fuel subsidies in Indonesia had reached Rp 1,650 trillion, while the budget could be used for electricity supply program, clean and healthy cooking, upgrading of roads, health, and education. An analysis from Copenhagen Consensus Center concluded that if the Government of Indonesia was able to create a new policy that removing energy subsidies in 2018, it would allow 3.3% of GDP channeled to infrastructure development and poverty alleviation, including medical costs and direct cash assistance for poor families.

To minimize the direct impact on the poor, the social safety net program needs about Rp 6,600 billion annually. “For every Rp 1,000, you will get benefit valued at Rp 16,000,” said Amy Sopinka, energy consultant who wrote a study for the Copenhagen Consensus Center in a seminar titled ‘Post-2015 Development Agenda’ in Jakarta, March 25, 2015.

Until last year, the electrification ratio had reached 84.12 percent or about 10 million households did not have electricity. The Copenhagen Consensus Center’s analysis said that Indonesia would need investment of Rp 5.8 trillion every year for the electricity sector. However, any expenditure of Rp 1,000 would bring Rp 9,300 worth of benefit to help transform the lives of the poor living in rural area.

Moreover, additional efforts should be made so that everyone would have access to cooking facilities that were clean and healthy. The World Bank estimated that there were 18 million households exposed to pollution due to cooking with firewood in the kitchen. Providing healthy stoves would cost Rp 14 trillion.

The wood pellets Darul Ittihad Islamic Boarding School were seen as a great potential for cooking in households. The special stoves cost only Rp 180,000 to Rp 280,000 and 1 kilogram of wood pellets cost Rp 1,500 for 1.5 hours of cooking.

Pellet was one of biomass listed in Presidential Regulation No. 5 of 2006 on the National Energy Policy (KEN). This regulation aimed at the use of energy mix in 2025 with renewable energy (biofuels, geothermal, biomass, nuclear, hydroelectric, solar, and wind) were expected to contribute to the national energy supply for up to 15%.

Ministry of Energy and Mineral Resources conducted a study in 2005 in which the result shown that the biomass as a source of non-fossil energy had an energy capacity equivalent to 49.81 gigawatts (GW). This figure was higher than 27.14 GW from geothermal. However, the installed capacity of biomass was still at 0.302 GW.

Meanwhile, the Indonesian Students Association in Japan noted that the potential of biomass in Indonesia could contribute 50 GW to the national energy need. They also said that the process was low-cost and did not need high technology. That potential was being realized in the wood pellet mill at Darul Ittihad Islamic Boarding School.

Untung Widyanto

BERITA SATU

<http://www.beritasatu.com/lingkungan/282078-sukses-tunda-tebang-des-a-terong-diharapkan-bisa-jadi-percontohan.html>

Managing Community Forest to Face Climate Change

15 June 2015

Bantul - As one of the villages that successfully managed the environment, Terong Village, Dlingo Sub-district, Bantul, Yogyakarta, was expected to be a model for other regions in Indonesia.

This was stated by the Director of Environment of the National Development Planning Agency (Bappenas), Wahyuningsih Darajati, at ICCTF's Donor and Media Visit which was held in Terong Village on Friday (12/6).

She said that the success came from the dedication of the village residents to be the main actors in maintaining their own environment through a system of "delayed logging".

"This village has a very dynamic residents. I wish that what you have done here could be a model for other regions," she said.

Delayed logging system is a community movement of conservation when tree harvesting is delayed until such trees are ready to be harvested. For Terong Village residents, tree logging is one of their main livelihoods. Prior to the implementation of this project, they harvested the trees when needed.

With the delayed logging system, the community received both ecological and economical benefits. Moreover, one of the outcomes of the projects were the establishment of a cooperative initiated by ARUPA and supported by Indonesia Climate Change Trust Fund (ICCTF) under the Bappenas.

Danung Arifin/EPR

The Jakarta Post

<http://www.thejakartapost.com/news/2015/06/22/us-contributes-5m-ri-climate-trust-fund.html#sthash.5x5MY4xa.dpuf>

US Contributes \$5m to RI Climate Trust Fund

22 Juni 2015

The US Agency for International Development (USAID) mission director Andrew Sisson on Friday signed an agreement to award US\$5 million to the Indonesia Climate Change Trust Fund (ICCTF) it will use to fund Indonesian NGOs' climate change programs. "From changing weather patterns that affect food production, to rising sea levels that increase the risk of coastal flooding, Indonesia faces a wide range of climate change-related threats," Sisson said as he signed the agreement with National Development Planning deputy minister Endah Murniningtyas, who is also ICCTF Board of Trustees chairwoman. "The US is proud to support the ICCTF and continue our history of partnering with the Indonesian government to tackle important global challenges," said the USAID mission director.

He said climate change was a shared global priority that required the action of governments, private companies, NGOs and citizens. "It's

impressive that this fund involves all these stakeholders in Indonesia," Sisson said. ICCTF pools and coordinates funds from various sources to support and finance climate change programs and policies. The ICCTF is one of only two nationally managed trust funds in the world dedicated to fighting climate change, making it a model for many middle-income and developing countries. "This contribution shows that international partners like the US are important in Indonesia's efforts to transition to a low-carbon economy and adapt to climate change," said Murniningtyas. Apart from being a greenhouse gas emitter, Indonesia is among the countries that are most vulnerable to the impacts of climate change. The Asian Development Bank estimates that climate change could cause economic losses of between 2 and 7 percent of annual gross domestic product by the end of the century.

(ebf)

SWA

<http://www.thejakartapost.com/news/2015/06/22/us-contributes-5m-ri-climate-trust-fund.html#sthash.5x5MY4xa.dpuf>

ICCTF's Commitment as Trust Fund for Climate Change



To invite all members of society, especially the media, to address environmental issues, ICCTF (Indonesia Climate Change Trust Fund) held ICCTF Media Award 2015 which had previously been held twice since 2013.

ICCTF Media Award 2015 is a journalism competition aimed at boosting the spirit of the media and the public in raising awareness of climate change. The theme of the competition this year is "Climate Change Mitigation and Adaptation Actions for People's Welfare of Indonesia".

Deputy for Maritime and Natural Resources of the Bappenas, Dr. Ir. Endah Murniningtyas, said that the media played an important role in spreading information to the public on the issue of climate change. "Climate actions are the responsibility of all of us: the government, private sector, and the public. The role of the media, then, becomes very significant as a channel of information that could reach wider audience, especially when the public pays more attention to the issue of climate change," said Endah who is also the Chairman of the ICCTF Board of Trustees.

Endah also said that the media had yet to put the issue of climate change on center stage even though, according to scientific studies, the impacts of climate change pose a threat and a significant long-term challenges for development in various sectors and places. "The wider reach of the media is necessary to strengthen the joint efforts of all parties," she said.

ICCTF as a trust fund for climate change continued its commitment to support the government in achieving the greenhouse gas emission reduction target by 26% financed by its own resources and up to 41% with international support by 2010. Considering the economic target should also be achieved, the Indonesian government has stepped up its efforts to synergize the economic growth, emission reduction, and strengthening of people's resilience of climate change impacts, as stipulated in the National Medium-Term Development Plan (RPJMN 2010-2014) and RPJMN 2015-2019.

Putri Wahyuni

ICCTF Educates on Economical Value of Mangroves in Percut Village

TEMPO.CO, Deli Serdang - Indonesia Climate Change Trust Fund (ICCTF) funded a mangrove management programme for ecological-economical resilience of coastal community in Percut Village, Deli Serdang, North Sumatra.

"We started the programme in July 2015," said Erwin Widodo, Executive Director ICCTF, in Medan, Friday, 13 November 2015. He visited the project site in Deli Serdang along with donors and officials from Bappenas.

To implement this programme, ICCTF—a national trust fund under supervision of Bappenas—were partnering with a local NGO named Pilar. They trained the community living in the village on the benefits of mangroves as a carbon sequestration plant.

The eastern coast of North Sumatra was selected as the project site due to the ecological damage from maritime and shipping activities in the Strait of Malacca. "The number of ships crossing the Strait of Malacca reached 2,000 ships and a study showed that ecological damage mostly occurred in areas with rapid economic growth," he said.

Percut Village was targeted to receive financial support based on the sufficient level of knowledge in mangrove planting possessed by the village residents. "We aimed at improving economical value of the mangroves for the community," said Erwin.

With this economical value improvement programme, ICCTF expected that the

outputs of the programme could be achieved immediately thus could be replicated in other areas that needed more extensive process.

Ahmad Sayuti, 39, one of Percut Village residents, said that he had switched profession to a mangrove grower since three years ago. He said that he made the decision because he saw the economical advantages from being a mangrove grower.

"The mangroves were in a poor condition in the year we started to replant it, but we used to only use it for charcoal or building materials," he said. For Sayuti and other village residents, the trainings they received from Pilar and ICCTF helped them to find other benefits from the mangroves.

"Compared to being a fisherman, the income I get from mangroves is better, far from what I got from traditional fishing." During harvest time, the fish nurseries in mangrove area could generate income up to Rp 10 million," he said.

Data from the Ministry of Marine and Fisheries in 2014 stated that there are 3.3 million hectares of mangrove forests in Indonesia. Mangrove forests can be easily found in all alluvial coasts in Indonesia, such as in eastern Sumatra, Kalimantan, Northern Java, Sulawesi, and Southern Papua. Mangrove forests could serve as carbon sequester as well as a nursery area for the fish. Meanwhile, mangroves could also give benefits as food commodity.



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