

Climate Finance: An Indonesian Perspective

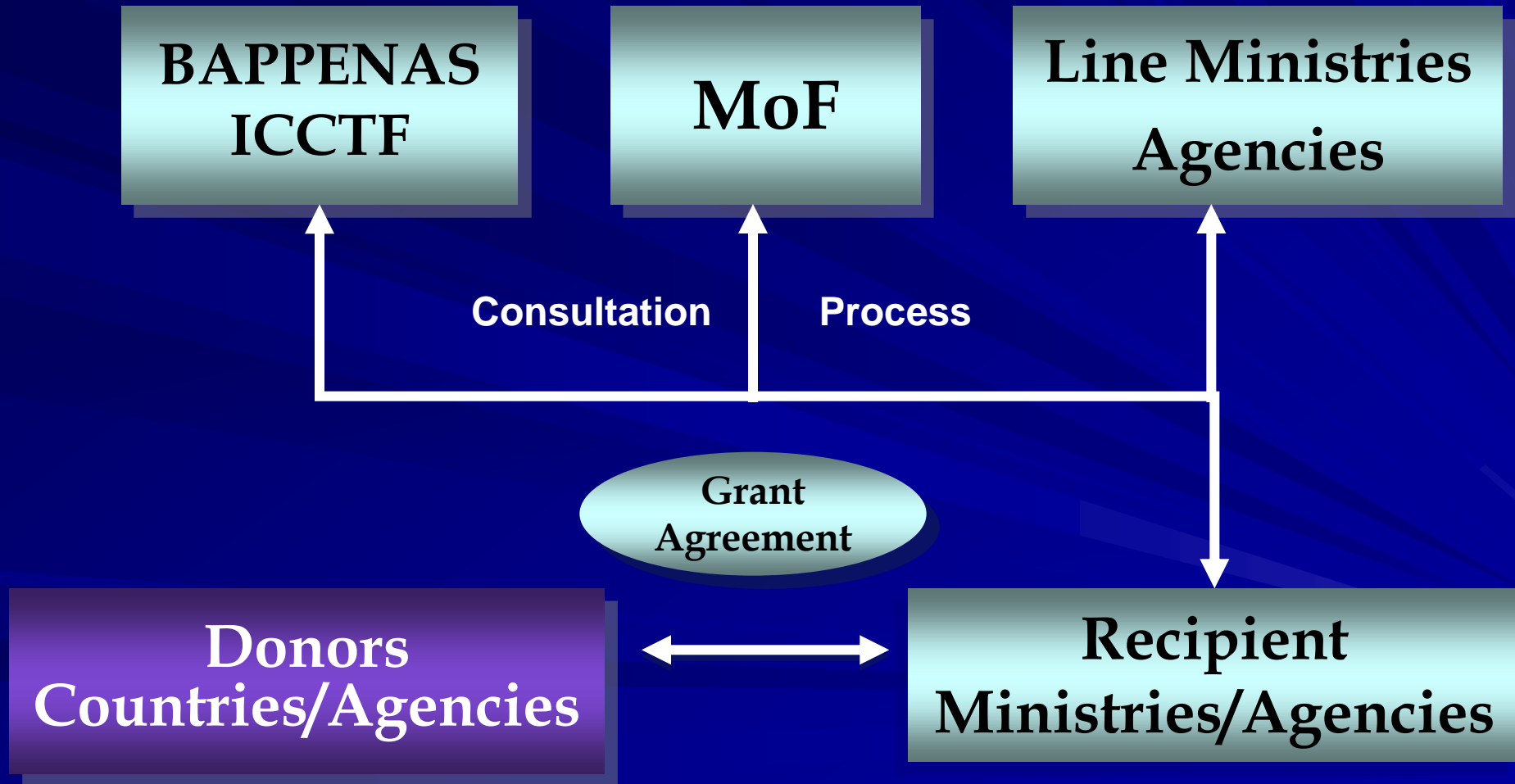
Developing Innovative and Flexible Climate Financing Mechanisms

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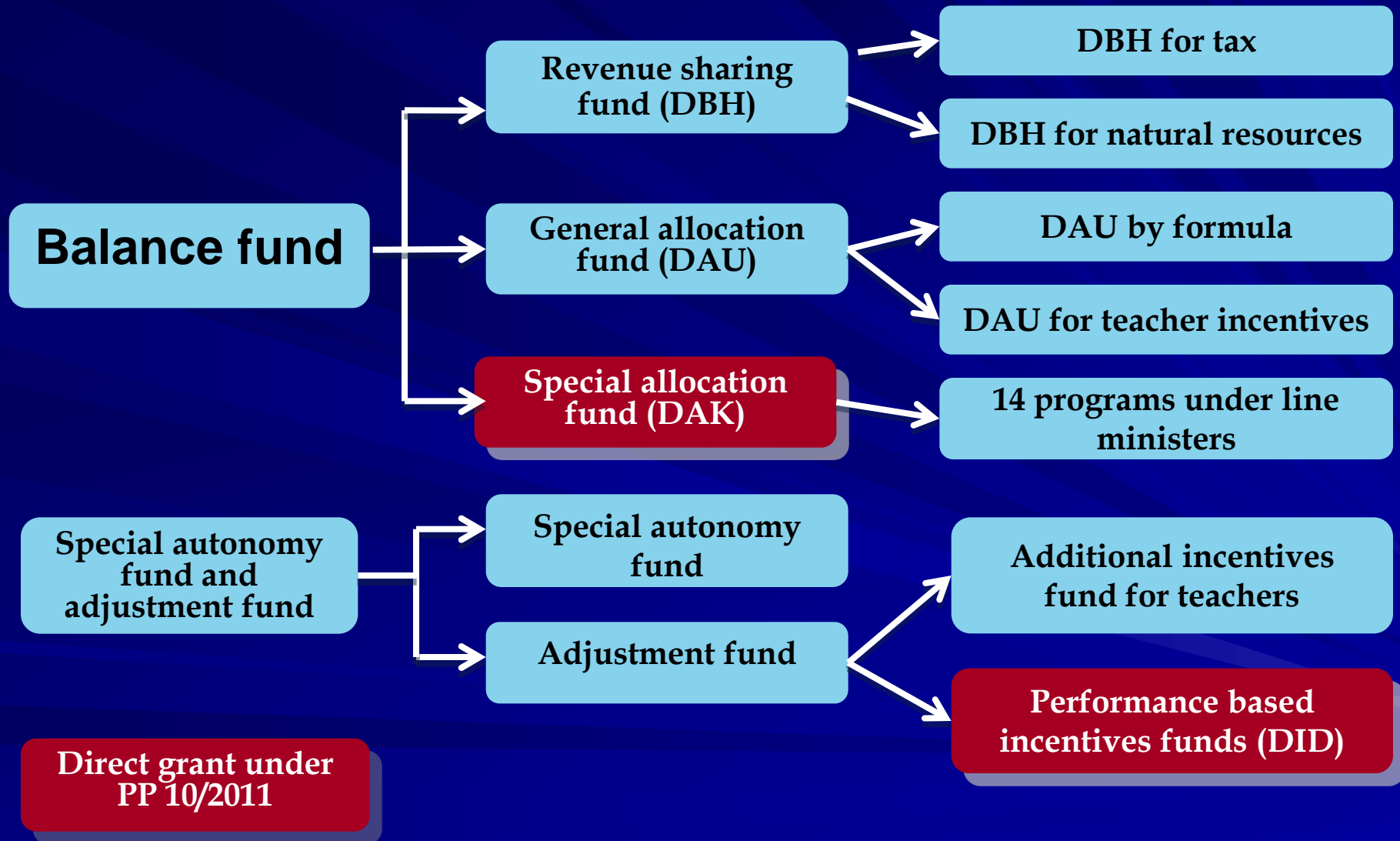
Recent Innovations

- the Indonesia Climate Change Trust Fund expenditure fund capitalised by a fast-start grant mechanism .
- the Indonesia Green Investment Fund investment fund blending grants, budget allocations and private investment (*work in progress*).
- the Regional Incentive Mechanism (RIM) a fiscal transfer mechanism to incentivise low-carbon development (*proposal by Ministry of Finance*)

Fast-Start Financing: Direct Grant Mechanism



Intergovernmental Fiscal Transfer Mechanism



REDD+ Financing Mechanism

Funding sources

International grants, loans and carbon credits, National budget and non budget allocations



Regulatory Compliance Window

- To provide structural adjustment for regions to cope with loss of economic opportunity
- Allocations based on compliance with regulations and a function of carbon stock, historic flow and economic impact



Regional Initiatives Window

- Regulations to slow or stop emissions intensive practices
- Allocations based on verified emissions reductions (MRV compliant)



Sub-National Initiatives

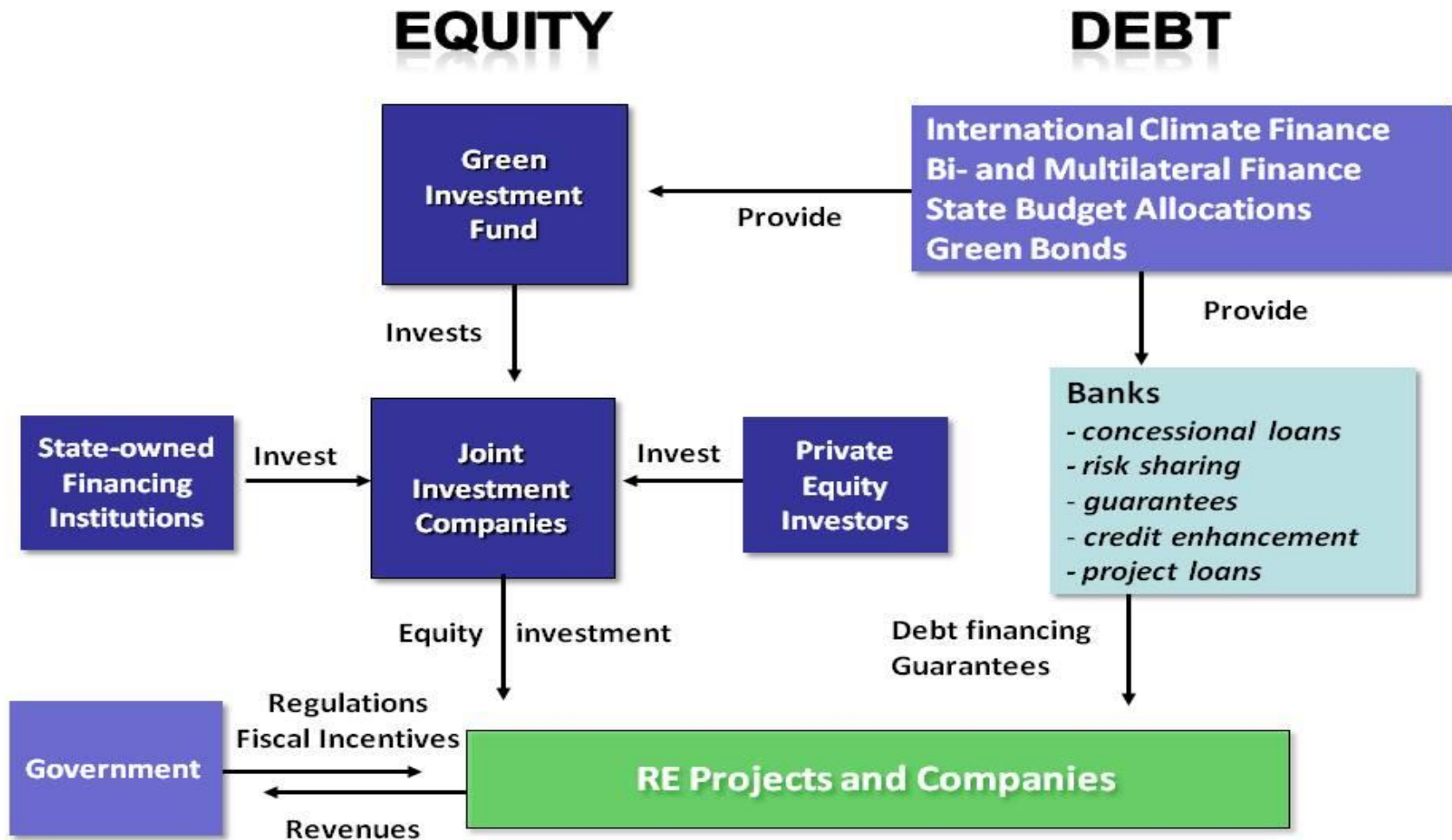
inc. reforestation, rehabilitation, conservation, sustainable land use, etc.

Recipients: Sub-national governments, communities, firms



MRV-compliant GHG Emission Reductions

Private-Public Investment Mechanism



THANK YOU