

REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

NUMBER 98 OF 2021

ON

THE IMPLEMENTATION OF CARBON PRICING TO ACHIEVE THE NATIONALLY
DETERMINED CONTRIBUTION TARGET AND CONTROL OVER GREENHOUSE
GAS EMISSIONS IN THE NATIONAL DEVELOPMENT
BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that various impacts and effects of climate change may affect the quality of people's lives, it is necessary to take steps to protect the people as referred to in Article 28 H section (1) of the 1945 Constitution of the Republic of Indonesia and Article 65 section (1) of Law Number 32 of 2009 on Environmental Protection and Management;
 - b. that in order to control the climate change, the Government has ratified the Paris Agreement through Law Number 16 of 2016 on Ratification of Paris Agreement to the United Nations Framework Convention on Climate Change, which it contains the Government's obligation to contribute to greenhouse gas emissions reduction which is nationally determined to limit the increase in global average temperature below 2°C (two degrees Celsius) - 1.5° C (one point five degrees Celsius) from the pre-industrialized temperature level;

- c. that carbon as a universal indicator in measuring the results of climate change control effort which is reflected in nationally determined contribution, besides having an important economic value and having an international dimension, mainly in the form of economic benefits for the people, as well as a reflection of the principles of sustainable resource management in accordance with the mandate of Article 33 section (4) of the 1945 Constitution of the Republic of Indonesia;
- d. that carbon pricing is one of the instruments in realizing the Government's obligation to contribute to the greenhouse gases emissions reduction as referred to in point b, through the selection of the most efficient, effective, and equitable mitigation and adaptation actions without alleviating the achievement of contribution target which has been nationally determined.
- e. that based on the considerations as referred to in point a to point d, it is necessary to issue the Presidential Regulation on the Implementation of Carbon Pricing to Achieve the Nationally Determined Contribution Target and Control Over Greenhouse Gas Emissions in the National Development.

- Observing :
- 1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia.
 - 2. Law Number 6 of 1994 on Ratification of the United Nations Framework Convention on Climate Change (State Gazette of the Republic of Indonesia of 1994 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 3557);
 - 3. Law Number 25 of 2004 on the National Development Planning System (State Gazette of the Republic of Indonesia of 2004 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 4421);

4. Law Number 17 of 2007 on the National Long-Term Development Plan of 2005-2025 (State Gazette of the Republic of Indonesia of 2007 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 4700);
5. Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059) as amended by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
6. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times, and last by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
7. Law Number 16 of 2016 on Ratification of the Paris Agreement to the United Nations Framework Convention on Climate Change (State Gazette of the Republic of Indonesia of 2016 Number 204, Supplement to the State Gazette of the Republic of Indonesia Number 5939);
8. Government Regulation Number 46 of 2017 on Environmental Economic Instruments (State Gazette of the Republic of Indonesia of 2017 Number 228, Supplement to the State Gazette of the Republic of Indonesia Number 6134);

HAS DECIDED:

To issue : PRESIDENTIAL REGULATION ON THE IMPLEMENTATION OF CARBON PRICING TO ACHIEVE THE NATIONALLY DETERMINED CONTRIBUTION TARGET AND CONTROL OVER GREENHOUSE GAS EMISSIONS IN THE NATIONAL DEVELOPMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Presidential Regulation:

1. Nationally Determined Contribution, hereinafter abbreviated as NDC, means a national commitment for handling global climate change in order to achieve the goals of the Paris Agreement to the United Nations Framework Convention on Climate Change.
2. Carbon Pricing (*Nilai Ekonomi Karbon*), hereinafter abbreviated as NEK, means the value of each unit of greenhouse gas emissions, generated from human and economic activities.
3. Greenhouse Gas, hereinafter abbreviated as GHG, means gases contained in the atmosphere, both natural and anthropogenic, which absorb and re-emit infrared radiation.
4. GHG Emissions means the release of GHG into the atmosphere in a specific area within a specific period of time.
5. Climate Resilience means the ability to anticipate, prepare for and respond to the impacts, risks and vulnerabilities due to climate change on the region and the public's lives.
6. Climate Change Mitigation means any effort to reduce the risks of climate change by reducing GHG emissions from various sources and increasing carbon sequestration/strengthening of carbon stock from various sources of emissions.
7. Climate Change Mitigation Action means any activity that may reduce GHG Emissions, increase carbon sequestration and/or storage/strengthening of carbon stocks.
8. Baseline Business as Usual of GHG Emissions, hereinafter referred to as GHG Emissions Baseline, means an estimate of emissions level and GHG projection in sectors or activities that have been identified within a

predetermined time frame without policy intervention and/or mitigation technology.

9. Climate Change Adaptation means any effort to increase the adaptive capacity to climate change, including climate variability and extreme weather, so that the potential damages due to climate change is reduced, opportunities posed by climate change can be identified, and consequences arising from climate change can be solved.
10. Capacity of Climate Change Adaptation means the potency or ability of a system to conform to climate change, including climate variability and extreme climates, so that the potential damages can be reduced or prevented.
11. Climate Change Adaptation Action means any activity to conform to anticipate the real adverse effect to climate change, by developing anticipatory strategies and taking advantage of profitable opportunities.
12. Baseline Business as Usual of Climate Resilience hereinafter referred to as Climate Resilience Baseline means a projection of the potential impacts of climate change in an area of sector and activity that have been identified within a predetermined period of time without policy intervention and/or adaptation technology.
13. GHG Emissions Cap means the highest GHG Emission level determined in a certain period.
14. National Registry System for Climate Change (*Sistem Registri Nasional Pengendalian Perubahan Iklim*), hereinafter abbreviated as SRN PPI, means a web-based data and information management system on actions and resources for Climate Change Mitigation, Climate Change Adaptation, and NEK in Indonesia.
15. Carbon Unit means a proof of carbon ownership in the form of a certificate or allowance expressed in 1 (one) tonne of carbon dioxide as registered in SRN PPI.
16. GHG Emissions Level means the condition of GHG Emissions in a certain period of time which can be compared based on the results of GHG calculations using

consistent emission/absorption methods and factors to show the changes in trend of emission level from year to year.

17. Carbon Trading means a market-based mechanism to reduce GHG Emissions through Carbon Units trading.
18. Emissions Trading means a transaction mechanism among Business Actors whose emissions exceed the specified Emissions cap.
19. Balancing of GHG Emissions hereinafter referred to as GHG Emissions Offset means GHG Emissions reduction carried out by business and/or activity to compensate for emissions made elsewhere.
20. Result-Based Payment means an incentive or payment obtained from GHG emissions reduction achievement which is verified and/or certified and validated non-carbon benefits.
21. Measurement, Reporting, and Verification, hereinafter abbreviated as MRV, means an activity to ensure that data and/or information on mitigation and adaptation actions are valid and that they have been carried out in accordance with the established procedure and/or standard and their correctness is guaranteed.
22. Carbon Rights means the control of carbon by the state.
23. Carbon Exchange means a system that regulates the registry of carbon stocks, Carbon Trading, and the ownership status of Carbon Units.
24. Carbon Levy means state levies, both central and local governments, imposed on goods and/or services that potentially have and/or have carbon content; and/or businesses and/or activities that potentially have carbon emissions and/or emit carbon that may have an adverse impact on the environment and/or mitigation actions.
25. GHG Emissions Inventory means an activity to obtain data and information regarding the level, status, and trend of periodic changes in GHG emissions from various emission sources and its sequestration.
26. Climate Change Impact Inventory means an activity to obtain data and information regarding the level, status,

and trends of climate change impacts on a regular basis from various contributing factors and Climate Change Adaptation Capacity.

27. Ecosystem means a system of environmental elements which constitutes a whole-comprehensive and mutually influential totality in forming the equilibrium, stability, and productivity of the environment.
28. GHG Sequestration means the absorption of GHG from the atmosphere, naturally or through the use of technology, in a certain area within a certain period of time.
29. Activity Data means the quantity of human activities or other activities that may emit and/or absorb the GHG.
30. GHG Emissions Factor means the amount of GHG emissions released into the atmosphere per unit of certain activity.
31. Certificate of GHG Emission Reduction means a proof of emission reduction by businesses and/or activities that have gone through MRV, and is recorded in the SRN PPI in the form of a registry number and/or code.
32. Sector means the NDC sector which has activities related to GHG Emissions, not referring to administrative definition or an institution that generally organizes or regulates activities.
33. Sub-Sector means a NDC sub-sector which has a sub-sector of activities related to GHG Emissions, not referring to administrative definition or an institution that largely organizes or regulates activities.
34. Minister means the minister administering government affairs in the field of environmental protection and management.
35. Business Actor means an individual or business entity that carries out business and/or activity in a certain field.

CHAPTER II
PURPOSE, OBJECTIVE, AND SCOPES

Part One

Purpose and Objective

Article 2

- (1) This Presidential Regulation is intended to serve as a basis for the implementation of NEK and to be a guideline on GHG Emissions Reduction through policies, measures, and activities to achieve NDC target and to control GHG Emissions in the national development.
- (2) The implementation of NEK as referred to in section (1) is carried out domestically and/or internationally without affecting the NDC target.
- (3) The NDC target as referred to in section (1) includes:
 - a. establishing policies and measures as well as implementation of activities in accordance with the Government's commitment to reduce GHG Emissions by 29% (twenty-nine percent) up to 41% (forty-one percent) in 2030 compared to the GHG Emissions Baseline; and
 - b. building national, regional, and community resilience to various risks of climate change conditions or Climate Resilience.
- (4) GHG Emissions Control is carried out through the implementation of policies in national, central, and local development as well as from, for, and by the Government, local government, Business Actor, and community.
- (5) Effort to achieve the NDC target as referred to in section (1) is carried out towards low GHG Emissions and climate-resilient development in 2050.
- (6) NDC target as referred to in section (3) is adjusted to NDC review, for at least once in 5 (five) years.
- (7) NDC target as referred to in section (3) and GHG Emissions control as referred to in section (4) are carried out in an integrated and simultaneous manner.
- (8) The NDC target as referred to in section (3) is stated in

the NDC document which is prepared and determined by the Minister and submitted to the United Nations Framework Convention on Climate Change.

Article 3

- (1) This Presidential Regulation is aimed to regulate GHG Emissions reduction, Climate Resilience enhancement, and NEK in order to achieve NDC target as referred to in Article 2 section (3) based on GHG Emissions Baseline in 2030 in the amount of 2,869 (two thousand eight hundred and sixty-nine) million tonnes of CO₂e and Climate Resilience Baseline and Climate Resilience target.
- (2) GHG Emissions Reduction by 29% (twenty-nine percent) as referred to in Article 2 section (3) point a is GHG Emissions reduction target unconditionally in the amount of 834 (eight hundred and thirty-four) million tonnes of CO₂e.
- (3) GHG Emissions Reduction up to 41% (forty-one percent) as referred to in Article 2 section (3) point a is GHG Emissions reduction target up to 1,185 (one thousand one hundred and eighty-five) million tonnes of CO₂e, subject to the availability of international cooperation.
- (4) GHG Emissions Reduction as referred to in section (2) and section (3) is mainly supported by GHG Emissions control in the forestry Sector to become carbon storage/reinforcement in 2030 applying Indonesia Forest and Other Land Use Net Sink 2030 approach.
- (5) GHG Emissions Baseline and GHG Emissions reduction target in the NDC as referred to in section (1) to section (4) including the result of GHG Emissions reduction achievement, serve as the basis of GHG Emissions control in national and local development.
- (6) Climate Resilience Baseline and Climate Resiliency target as referred to in section (1) including the results of Climate Resilience increase, serve as the basis of Climate Resilience enhancement in national and local development.

Part Two

Scopes

Article 4

Scopes of this Presidential Regulation include:

- a. efforts to achieve the NDC target;
- b. procedure for NEK implementation;
- c. transparency framework;
- d. monitoring and evaluation;
- e. capacity building and finance; and
- f. steering committee.

CHAPTER III

EFFORTS TO ACHIEVE NATIONALLY DETERMINED
CONTRIBUTION TARGET

Part One

General

Article 5

- (1) The implementation of efforts to achieve NDC target is carried out through performing:
 - a. Climate Change Mitigation; and
 - b. Climate Change Adaptation.
- (2) The implementation of efforts to achieve NDC target as referred to in section (1) is based on NDC implementation strategy, which is the direction of NDC implementation.
- (3) NDC implementation strategy as referred to in section (2) include:
 - a. development of ownership and commitment;
 - b. capacity development;
 - c. creating enabling conditions;
 - d. formulation of framework and communication network;
 - e. one-data policy of GHG Emissions and climate resilience;
 - f. formulation of policies, plans, and programs;

- g. formulation of guidelines on NDC implementation;
 - h. NDC implementation; and
 - i. monitoring and review of NDC.
- (4) The implementation of efforts to achieve NDC target as referred to in section (1) is specified in a roadmap that at least consists of:
- a. details of Baseline;
 - b. details of target;
 - c. mitigation scenario;
 - d. adaptation scenario;
 - e. governance;
 - f. funding needs;
 - g. technology; and
 - h. capacity building.
- (5) Provisions regarding the formulation of the NDC implementation strategy as referred to in section (3) and the NDC roadmap as referred to in section (4) are regulated in a Ministerial Regulation.

Part Two

Climate Change Mitigation

Paragraph 1

General

Article 6

- (1) The implementation of efforts to achieve NDC target through performing Climate Change Mitigation as referred to in Article 5 section (1) point a is conducted by:
- a. planning of Climate Change Mitigation Action;
 - b. implementation of Climate Change Mitigation Action; and
 - c. monitoring and evaluation of Climate Change Mitigation Action.
- (2) The implementation of Climate Change Mitigation is carried out by:

- a. ministries/institutions;
 - b. local governments;
 - c. Business Actors; and
 - d. public.
- (3) The implementation of Climate Change Mitigation is coordinated by the Minister.

Article 7

- (1) The implementation of Climate Change Mitigation as referred to in Article 6 is carried out in Sectors and Sub-Sectors.
- (2) Sectors as referred to in section (1) consist of:
 - a. energy;
 - b. waste;
 - c. industrial process and product use;
 - d. agriculture;
 - e. forestry; and/or
 - f. other Sectors in accordance with the development of science and technology.
- (3) The Sub-Sectors as referred to in section (1) consist of:
 - a. power plant;
 - b. transportation;
 - c. construction;
 - d. waste;
 - e. waste water;
 - f. solid waste;
 - g. industry;
 - h. rice field;
 - i. livestock;
 - j. plantations;
 - k. forestry;
 - l. peat and mangrove management; and/or
 - m. other Sub-Sectors in accordance with the development of science and technology.
- (4) Other Sectors as referred to in section (2) point f and other Sub-Sectors as referred to in section (3) point m, are determined by the Minister after coordinating with related ministers.

Article 8

- (1) Climate Change Mitigation in other Sectors for marine or blue carbon Sector is implemented by the ministry administering government affairs in the field of marine and fisheries.
- (2) Policy on marine or blue carbon Sector as referred to in section (1) is implemented in accordance with the development of science and technology and may be considered as Climate Change Mitigation Action in other Sectors for marine or blue carbon Sector in order to achieve the NDC target.

Paragraph 2

Climate Change Mitigation Action Plan

Article 9

Climate Change Mitigation Action Plan as referred to in Article 6 section (1) point a, is carried out through stages of:

- a. Inventory of GHG Emissions;
- b. formulation and determination of GHG Emissions Baseline;
- c. formulation and determination of Climate Change Mitigation target; and
- d. formulation and determination of Climate Change Mitigation Action plan.

Article 10

- (1) The GHG Emissions Inventory as referred to in Article 9 point a, is carried out by:
 - a. monitoring;
 - b. collecting; and
 - c. calculating.
- (2) The monitoring as referred to in section (1) point a, is carried out to identify:
 - a. the result of GHG Emissions inventory in the previous year;

- b. the data of GHG Emissions activity source and/or GHG sequestration including carbon stock; and
 - c. GHG Emissions factor and GHG sequestration factor including carbon stock.
- (3) The collecting as referred to in section (1) point b is carried out to obtain:
- a. the data of GHG Emissions activity source and/or GHG sequestration including carbon; and
 - b. GHG Emissions factors and/or GHG sequestration, including carbon stock.
- (4) The calculating as referred to in section (1) point c covers:
- a. calculation of GHG Emissions and/or GHG sequestration, including carbon stock;
 - b. analysis of the uncertainty to assess the accuracy level of the estimate of emission;
 - c. analysis of key category, which includes the source of GHG Emissions/primary sink; and
 - d. quality control and assurance.
- (5) Calculation of GHG Emissions and/or GHG sequestration including carbon stock is the result of multiplication of activity data and GHG Emissions Factor.
- (6) Calculation of GHG Emissions and/or GHG sequestration including carbon stock is carried out based on the guideline provided by Intergovernmental Panel on Climate Change (IPCC) by using accurate calculation of activity data and GHG Emissions Factor in accordance with the availability of data and the development of science and technology.
- (7) Types of GHG Emissions are a compound of:
- a. carbon dioxide (CO₂);
 - b. methane (CH₄);
 - c. dinitro oxide (N₂O);
 - d. hydrofluorocarbons (HFCs);
 - e. perfluorocarbons (PFCs); and
 - f. sulphur hexafluoride (SF₆).

Article 11

- (1) GHG Emissions Sources carried out in the GHG Emissions Inventory consist of:
 - a. procurement and use of energy;
 - b. industrial processes and product use;
 - c. agriculture;
 - d. forestry, peatland, and other land uses;
 - e. waste management; and
 - f. other GHG emissions sources according to the development of science and technology.
- (2) The inventory of GHG Emissions is conducted by:
 - a. Minister, for national GHG Emissions Inventory;
 - b. related ministers according to their authority, for the Sector GHG Emissions Inventory;
 - c. governors, for provincial GHG Emissions Inventory;
 - d. regents/mayors, for regency/municipality GHG Emissions Inventory; and
 - e. Business Actors in their area of business and/or activity, for the company's GHG Emissions Inventory.
- (3) The GHG Emissions Inventory in the area business and/or activity carried out by Business Actor as referred to in section (2) point e includes:
 - a. activity that has the potential as GHG Emissions sources; and
 - b. those in the NDC Sector and/or NDC Sub-Sector in the GHG Emissions reduction target.
- (4) The Minister determines other GHG Emissions sources as referred to in section (1) point f based on the proposal from the related ministers.

Article 12

The results of the GHG Emissions inventory are reported annually with the following mechanism:

- a. Business Actors submit the report to the regents/mayors, governors, or relevant ministers in accordance with the allowance obtained not later than March;

- b. regents/mayors submit the report on the results of the GHG Emissions Inventory to the Governor through a web-based application not later than March;
- c. governors submit the report on the results of the GHG Emissions Inventory to the Minister through a web-based application not later than June; and
- d. related ministers submit the report on the results of the GHG Inventory to the Minister through a web-based application not later than June.

Article 13

- (1) The preparation of GHG Emission Baseline as referred to in Article 9 point b is conducted based on:
 - a. the result of the annual report of GHG Emissions Inventory as referred to in Article 12;
 - b. historical data on GHG Emissions over a certain period of time;
 - c. scientific database related to the available GHG Emissions; and
 - d. economic and social aspects.
- (2) The preparation of GHG Emissions Baseline is carried out within the scope of:
 - a. nation;
 - b. Sector; and
 - c. province.

Article 14

- (1) The preparation of the national GHG Emissions Baseline is coordinated by the Minister and minister coordinating government affairs in the field of maritime and investment by involving the related ministers.
- (2) The national GHG Emissions Baseline contains the Sector GHG Emissions Baseline and the total GHG Emissions Baseline of all Sectors.
- (3) The result of the preparation of the national GHG Emissions Baseline is determined by the Minister and stated in the NDC document.

- (4) The national GHG Emissions Baseline determined by the Minister is used as the basis for:
 - a. determination of national Climate Change Mitigation targets;
 - b. calculation of the amount of GHG Emissions reduction from the national Climate Change Mitigation Action;
 - c. calculation of the achievement of the Climate Change Mitigation targets; and
 - d. reference of national development planning.

Article 15

- (1) The Preparation of Sector GHG Emissions Baseline is carried out by referring to:
 - a. National GHG Emissions Baseline;
 - b. periodic data on the Sector GHG Emissions inventory within a certain period of time;
 - c. National Medium Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional*, RPJMN); and
 - d. economic and social aspects.
- (2) The Sector GHG Emissions Baseline contains the Sub-Sector GHG Emissions Baseline and the total GHG Emissions Baseline of all Sub-Sectors.
- (3) The preparation of Sector GHG Emissions Baseline is conducted by the related ministers according to their authority with the following provisions:
 - a. Sub-Sectors of power generation, transportation, building, and industry, is coordinated by the minister administering government affairs in the field of energy and mineral resources;
 - b. Sub-Sectors of waste, liquid waste, and solid waste, is coordinated by the minister administering government affairs in the field of environmental protection and management;
 - c. Sub-Sector of rice fields, livestock and plantations, is coordinated by the minister administering government affairs in the field of agriculture; and

- d. Sub-sector of forestry, peat and mangrove management is coordinated by the minister administering government affairs in the field of forestry.
- (4) Preparation of Sector GHG Emissions Baseline is coordinated by the Minister and the minister coordinating government affairs in the field of maritime and investment by involving the related minister.
 - (5) The results of the preparation of the Sector GHG Emissions Baseline are stipulated by the Minister.
 - (6) The Sector GHG Emissions Baseline that has been stipulated by the Minister is used as the basis for:
 - a. determination of Sector Climate Change Mitigation target;
 - b. calculation of the amount of the GHG Emissions reduction from the Sector Climate Change Mitigation Action;
 - c. calculation of the achievement of the Sector Climate Change Mitigation target; and
 - d. reference for development planning at the Sector level.

Article 16

- (1) Preparation of the provincial GHG Emissions Baseline carried out in accordance with the guidelines of the preparation of the provincial GHG Emission Baseline stipulated by the Minister.
- (2) In addition to the guidelines of preparation of the provincial GHG Emissions Baseline as referred to in section (1), the preparation of the provincial GHG Emissions Baseline is carried out by referring to:
 - a. National GHG Emissions Baseline;
 - b. provincial and regency/municipality GHG Emissions Inventory results;
 - c. GHG Emissions series data within a certain period of time;

- d. Regional Medium-Term Development Plan (RPJMD);
and
 - e. economic and social aspects.
- (3) The preparation of provincial GHG Emissions, other than those as referred to in section (2), also refers to the Sector GHG Emissions Baseline as long as it has been determined by the Minister.
 - (4) The governor is obligated to formulate the provincial GHG Emissions Baseline no later than 3 (three) months after the national GHG Emissions Baseline is established.
 - (5) Minister and the minister administering government home affairs discuss the results of the preparation of the provincial GHG Emissions Baseline by involving the minister coordinating government affairs in the field of maritime and investment, related ministers, and governors.
 - (6) The result of the discussion on the preparation of the provincial GHG Emissions Baseline as referred to in section (5) is determined by the governor and reported to the Minister.
 - (7) Provincial GHG Emissions Baseline determined by the governor is used as the basis for:
 - a. determination of provincial Climate Change Mitigation target;
 - b. calculation of the amount of GHG Emissions reduction from the provincial Climate Change Mitigation Action;
 - c. calculation of the achievement of provincial Climate Change Mitigation target; and
 - d. reference to provincial development planning.

Article 17

- (1) The National and/or Sector GHG Emissions Baselines determined by the Minister can be revised in the event of:
 - a. changes in the national development policies related to climate change;
 - b. addition of the new data of activity;

- c. changes in GHG Emissions Factor; and/or
 - d. changes in methodological in the data activity and/or GHG Emissions Factor that have a significant influence to the calculation of GHG Emissions.
- (2) The revision to the national and/or Sector GHG Emissions Baseline is carried out through the stages:
- a. minister related to the Sector submits the proposed revision to the national and/or Sector GHG Emissions Baseline to the Minister and its copy to the minister coordinating government affairs in the field of maritime and investment;
 - b. based on the proposed revision as referred to in point a, the Minister and the minister coordinating government affairs in the field of maritime and investment coordinate discussions on it with the related ministers; and
 - c. in the event that the proposed revision to the national and/or Sector GHG Emissions Baseline is approved, the Minister determines the revision to the national and/or Sector GHG Emissions Baseline.

Article 18

- (1) The provincial GHG Emissions Baseline that has been determined by the governor may be revised in the event of:
- a. changes of the National and/or Sector GHG Emissions Baseline;
 - b. changes of the provincial development policy related to climate change;
 - c. addition of the new data of activity; and/or
 - d. changes in GHG Emissions Factor.
- (2) In the event that the changes of the national and/or Sector GHG Emissions Baseline have a significant impact on the provincial GHG Emissions Baseline, the governor must revise the provincial GHG Emissions Baseline.
- (3) The revision to the provincial GHG Emissions Baseline is carried out through the following stages:

- a. the governor submits the proposed revision to the provincial GHG Emissions Baseline to the Minister and minister who administering of home affairs;
- b. Ministers and minister administering of government home affairs discuss the revision of the provincial GHG Emissions Baseline by involving the minister coordinating government affairs in the field of maritime and investment, related minister, and governor; and
- c. in the event that the result of the discussion of revision to the provincial GHG Emissions Baseline is approved, the governor determines the revision to the provincial GHG Emissions Baseline and report it to the Minister.

Article 19

- (1) The preparation and determination of Climate Change Mitigation target as referred to in Article 9 point c are carried out within the scope of:
 - a. nation;
 - b. Sector; and
 - c. province.
- (2) The National, Sector, and provincial Climate Change Mitigation Targets are expressed in tonne of CO₂e GHG Emissions reduction.

Article 20

- (1) The preparation of national Climate Change Mitigation target is carried out by at least taking into account of:
 - a. National GHG Emissions Baseline;
 - b. national economy aspect;
 - c. social aspect;
 - d. effectiveness of Climate Change Mitigation Action; and
 - e. resource capacity.
- (2) The Preparation of national Climate Change Mitigation

target includes the Sector Climate Change Mitigation target and the total Climate Change Mitigation targets of all Sectors.

- (3) The preparation of the national Climate Change Mitigation target is coordinated by the Minister and the minister coordinating government affairs in the field of maritime and investment by involving the related ministers.
- (4) The results of the preparation of the national Climate Change Mitigation target is determined by the Minister and stated in the NDC document.
- (5) The national Climate Change Mitigation Target issued by the Minister is used as the basis for:
 - a. determination Sector and provincial Climate Change Mitigation target;
 - b. calculation of the amount of GHG Emissions reduction from the national Climate Change Mitigation Action;
 - c. calculation of the achievement of national Climate Change Mitigation target; and
 - d. reference to national development planning.

Article 21

- (1) The preparation of Sector Climate Change Mitigation target refers to:
 - a. Sector GHG Emissions Baseline;
 - b. national Climate Change Mitigation target;
 - c. national economic and social aspects;
 - d. effectiveness of Sub-Sector Climate Change Mitigation Action; and
 - e. resource capacity.
- (2) The Sector Climate Change Mitigation Target includes the Sub-Sector Climate Change Mitigation target and the total Climate Change Mitigation target for all Sub-Sectors.
- (3) The Preparation of t Sector Climate Change Mitigation target is carried out by the related ministers according to

their authorities under the provisions of:

- a. Sub-Sectors of power plant, transportation, building, and industry, are coordinated by the minister administering government affairs in the field of energy and mineral resources;
 - b. Sub-Sectors of waste, liquid waste, and solid waste, are coordinated by the minister administering government affairs in the field of environmental protection and management;
 - c. Sub-Sectors of rice fields, livestock and plantations, are coordinated by the minister administering government affairs in the field of agriculture; and
 - d. Sub-Sectors of forestry, peat and mangrove management are coordinated by the minister administering government affairs in the field of forestry.
- (4) The preparation of Sector of Climate Change Mitigation target is coordinated by the Minister and the minister coordinating government affairs in the field of maritime and investment by involving the related ministers.
- (5) The results of the preparation of the Sector Climate Change Mitigation targets are determined by the Minister.
- (6) The Sector Climate Change Mitigation Targets that have been determined are used as the basis for:
- a. determination of provincial Climate Change Mitigation targets;
 - b. calculation of the amount GHG Emissions reduction of the Sector Climate Change Mitigation Action;
 - c. calculation of the achievement of the Sector Climate Change Mitigation targets; and
 - d. reference to Sector development planning.

Article 22

- (1) Preparation of provincial Climate Change Mitigation targets is carried out in accordance with the guideline for the development of provincial Climate Change Mitigation target determined by the Minister.
- (2) In addition to the guideline for the preparation of

provincial Climate Change Mitigation targets as referred to in section (1), preparation of provincial Climate Change Mitigation target is carried out based on:

- a. provincial GHG Emissions Baseline;
 - b. national Climate Change Mitigation target;
 - c. Sector Climate Change Mitigation target;
 - d. provincial economic aspect;
 - e. social aspect;
 - f. effectiveness of provincial Climate Change Mitigation Action; and
 - g. resource capacity.
- (3) Governor is obligated to develop the provincial Climate Change Mitigation targets not later than 6 (six) months after the national Climate Change Mitigation target is determined.
- (4) Minister and minister administering government home affairs discuss the results of the development of provincial Climate Change Mitigation targets by involving the minister coordinating government affairs in the field of maritime and investment, related ministers, and governors.
- (5) Results of the discussion on the development of provincial Climate Change Mitigation targets as referred to in section (4) are determined by the governor and are reported to the Minister.
- (6) Provincial Climate Change Mitigation targets that have been determined by governor serve as a basis for:
- a. calculating the amount of GHG Emissions reduction of provincial Climate Change Mitigation Action;
 - b. calculating achievement of provincial Climate Change Mitigation target; and
 - c. reference to the provincial development planning.

Article 23

- (1) National and/or Sector Climate Change Mitigation targets that have been established by the Minister may be revised in the event of:

- a. revision to national development policy related to climate change;
 - b. addition to the scope of new activity data at national or Sector level;
 - c. ambition enhancement through the addition of new activity on Climate Change Mitigation Action at national or Sector level; and/or
 - d. accuracy enhancement in both activity data and GHG Emissions Factor.
- (2) Revision to the national and/or Sector Climate Change Mitigation targets is carried out in stages:
- a. ministers related to Sector submit the proposed revision to the national and/or Sector Climate Change Mitigation targets to the Minister and deliver a copy to minister coordinating government affairs in the field of maritime and investment;
 - b. based on the proposed revision as referred to in point a, Minister and minister coordinating government affairs in the field of maritime and investment coordinate discussion with related minister; and
 - c. in the event that the proposed revision to the national and/or Sector Climate Change Mitigation targets are approved, the Minister determines the revision to the national and/or Sector Climate Change Mitigation targets.

Article 24

- (1) Provincial Climate Change Mitigation targets that have been determined by governors may be revised in the event of:
- a. changes in national and/or Sector Climate Change Mitigation targets;
 - b. revision to the provincial development policy related to climate change;
 - c. addition to the scope of new activity data at provincial level;

- d. ambition enhancement through the addition of new activity on Climate Change Mitigation Action at the provincial level; and/or
 - e. accuracy enhancement in both activity data and GHG Emissions Factor.
- (2) In the event that revision to the national and/or Sector Climate Change Mitigation targets have a significant impact on provincial Climate Change Mitigation target, the governor revises provincial Climate Change Mitigation targets.
- (3) Revision to the provincial Climate Change Mitigation targets is carried out in stages:
- a. governor submits the proposed revision to the provincial Climate Change Mitigation targets to the Minister and minister administering government home affairs;
 - b. The Minister and minister administering government home affairs discuss the revision to the provincial Climate Change Mitigation target by involving minister coordinating government affairs in the field of maritime and investment, related ministers, and governors; and
 - c. in the event that the proposed revision to the provincial Climate Change Mitigation target is approved, the governor determines the revision to the provincial Climate Change Mitigation targets and reports it to the Minister.

Article 25

- (1) Calculation of GHG Emissions reduction amount is carried out by comparing GHG Emissions Baseline to the results of GHG Emissions inventory in the current year.
- (2) Calculation of GHG Emissions reduction amount is delivered through:
 - a. Climate Change Mitigation Action; or
 - b. determination of GHG Emissions Cap.
- (3) The Climate Change Mitigation Action as referred to in

section (2) point a is carried out by preparing Climate Change Mitigation Action plan within the scope of:

- a. nation; and
 - b. province.
- (4) For efficiency and effectiveness as well as providing complete and comprehensive views, formulation of national and Sector Climate Change Mitigation Action plans may be incorporated in the NDC roadmap.
- (5) The calculation of GHG Emissions reduction amount through the determination of GHG Emissions Cap as referred to in section (2) point b is carried out by formulating and determining GHG Emissions level in Sub-Sectors and business and/or activity by the related ministers.
- (6) The GHG Emissions Cap in Sub-Sectors and business and/or activity as referred to in section (5) is formulated based on:
- a. GHG Emissions Baseline in Sector;
 - b. national NDC target in Sector;
 - c. results of GHG Emissions inventory; and/or
 - d. period for achieving the targets.

Article 26

- (1) The formulation of national Climate Change Mitigation Action plan as referred to in Article 25 section (3) point a is carried out by taking into account:
- a. GHG Emissions Baseline and national Climate Change Mitigation targets as stated in NDC;
 - b. NDC implementation strategy;
 - c. national economic aspect;
 - d. social aspect;
 - e. Long-Term Development plan (RPJP, *Rencana Pembangunan Jangka Panjang*)
 - f. results of review of the existing and potential Climate Change Mitigation Action plans;
 - g. results of activity and budget tagging on implementation of the National Medium- Term

Development Plan (RPJMN, *Rencana Pembangunan Jangka Menengah Nasional*); and

- h. Environmental Protection and Management plan (RPPLH, *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup*).
- (2) National Climate Change Mitigation Action plan at least contains:
 - a. policy related to Climate Change Mitigation from Sector of energy, industrial processes and product use, waste, agriculture, forestry and other land uses, including Sub-Sectors; and
 - b. implementation strategy of national Climate Change Mitigation Action.
 - (3) The policy related to national Climate Change Mitigation as referred to in section (2) point a consists of:
 - a. direction of national policy related to climate change;
 - b. policy of Sector related to climate change; and
 - c. national, Sector, and Sub-Sector Climate Change Mitigation Action program and plan.
 - (4) The implementation strategy of national Climate Change Mitigation Action as referred to in section (2) point b at least contains:
 - a. allocation of GHG Emissions Baseline and reduction targets of GHG Emissions in Sectors and Sub-Sectors;
 - b. elaboration of program, mitigation activity, and Climate Change Mitigation Action plan per Sector and Sub-Sector along with plan for achieving GHG Emissions reduction target; and
 - c. timeline for national, Sector and Sub-Sector Climate Change Mitigation Action plan.
 - (5) Mechanism to formulate national Climate Change Mitigation Action plan is carried out in stages:
 - a. related ministers formulate national Climate Change Mitigation Action plan according to Sectors and Sub-Sectors based on the achievement of GHG Emissions reduction targets to be achieved in Sectors and Sub-Sectors;

- b. results of the formulation as referred to in point a is submitted to the Minister;
 - c. The Minister and minister coordinating government affairs in the field of maritime and investment coordinate discussion by involving related ministers;
 - d. The Minister carries out public consultation by involving related ministers; and
 - e. results of the discussion and public consultation are determined as a national Climate Change Mitigation Action plan by the Minister.
- (6) The National Climate Change Mitigation Action plan may be included as one document with the NDC roadmap.

Article 27

- (1) The formulation of provincial Climate Change Mitigation Action plan as referred to in Article 25 section (3) point b is carried out by taking into account:
- a. provincial GHG Emissions Baseline;
 - b. provincial Climate Change Mitigation target;
 - c. national Climate Change Mitigation Action plan;
 - d. NDC document, NDC roadmap, and NDC implementation strategy;
 - e. national Climate Change Mitigation Action plan;
 - f. provincial Medium-Term Development plan (RPJMD, *Rencana Pembangunan Jangka Menengah Daerah*);
 - g. national priority program and national strategic project in the province;
 - h. economic and social aspects of the province;
 - i. effectiveness of provincial Climate Change Mitigation Action; and
 - j. resource capacity.
- (2) The formulation of provincial Climate Change Mitigation Action plan is carried out in accordance with the guideline for the formulation of provincial Climate Change Action plan determined by the Minister.
- (3) Governor is obligated to formulate a provincial Climate Change Mitigation Action plan not later than 6 (six)

months after the national Climate Change Mitigation Action plan is determined by the Minister.

- (4) The Minister and minister administering government home affairs discuss the results of formulation of provincial Climate Change Mitigation Action plan by involving minister coordinating government affairs in the field of maritime and investment, related ministers, and governors.
- (5) The results of the discussion as referred to in section (5) are determined as provincial Climate Change Mitigation Action plan by governor.

Paragraph 3

Implementation of Climate Change Mitigation Action

Article 28

- (1) The implementation of Climate Change Mitigation Action as referred to in Article 6 section (1) point b is carried out within the scope of:
 - a. nation; and
 - b. province.
- (2) Implementation of national Climate Change Mitigation Action is carried out in each Sector with mechanisms:
 - a. energy, is carried out by minister administering government affairs in the fields of energy and mineral resources, transportation, industry, public works, and coordinated by minister administering government affairs in the field of energy and mineral resources;
 - b. waste, is carried out by minister administering government affairs in the fields of environmental protection and management, industry, agriculture, public works, and coordinated by minister administering government affairs in the field of environmental protection and management;
 - c. industrial processes and product use, is carried out by minister administering government affairs in the field of industry;

- d. agriculture, is carried out by minister administering government affairs in the field of agriculture; and
 - e. forestry, is carried out by minister/head of institution administering government affairs in the fields of forestry, peat and mangrove management, and coordinated by minister administering government affairs in the field of forestry.
- (3) Implementation of national Climate Change Mitigation Action is coordinated by the Minister and minister coordinating government affairs in the field of maritime and investment.
 - (4) Implementation of provincial Climate Change Mitigation Action is carried out by governors and regents/mayors for local Climate Change Mitigation Action in accordance with provincial Climate Change Mitigation Action plan.
 - (5) Local governments in provinces and regencies/municipalities, Business Actors, and/or public play a role in reducing GHG Emissions as part of reducing GHG Emissions in Sectors and Sub-Sectors.

Paragraph 4

Monitoring and Evaluation of Climate Change Mitigation Action

Article 29

- (1) The monitoring and evaluation of Climate Change Mitigation Action as referred to in Article 6 section (1) point c is carried out within the scope of:
 - a. nation; and
 - b. province.
- (2) The monitoring and evaluation of Climate Change Mitigation Action as referred to in section (1) is carried out for implementation of activity that has an important impact, at least including:
 - a. policy and institution;
 - b. funding of Climate Change Mitigation Action;
 - c. technology development;
 - d. research;
 - e. capacity building and public awareness; and
 - f. law enforcement and legal compliance.

- (3) Monitoring and evaluation of national Climate Change Mitigation Action include the Sector of:
 - a. energy, is carried out by minister administering government affairs in the fields of energy and mineral resources, transportation, industry, public works, and coordinated by minister administering government affairs in the field of energy and mineral resources;
 - b. waste, is carried out by minister administering government affairs in the fields of environmental protection and management, industry, agriculture, public works, and coordinated by Minister;
 - c. industrial processes and product use, is carried out by minister administering government affairs in the field of industry;
 - d. agriculture, is carried out by minister administering government affairs in the field of agriculture; and
 - e. forestry, is carried out by minister/head of institution administering government affairs in the fields of forestry, peat management, coastal area, and coordinated by minister administering government affairs in the field of forestry.
- (4) Implementation of monitoring and evaluation of national Climate Change Mitigation Action is coordinated by the Minister and minister coordinating government affairs in the field of maritime and investment.
- (5) Results of monitoring and evaluation of national Climate Change Mitigation Action carried out by the related ministers is submitted to the Minister.
- (6) Monitoring and evaluation of provincial Climate Change Mitigation Action is carried out by governors.
- (7) Results of monitoring and evaluation of provincial Climate Change Mitigation Action carried out by governors is submitted to the Minister.

Article 30

Further provisions regarding implementation of Climate Change Mitigation as referred to in Article 6 to Article 29 are regulated in a Ministerial Regulation.

Part Three
Climate Change Adaptation

Paragraph 1
General

Article 31

- (1) Implementation of effort to achieve NDC targets through the implementation of Climate Change Adaptation as referred to in Article 5 section (1) point b is carried out for:
 - a. increasing Capacity of Climate Change Adaptation;
 - b. reducing level of vulnerability and/or risk of climate change;
 - c. taking advantage of climate change opportunities; and
 - d. reducing potential loss and damage due to climate change.
- (2) Implementation of Climate Change Adaptation is applied in the field of:
 - a. food;
 - b. water;
 - c. energy;
 - d. health;
 - e. ecosystem; and/or
 - f. others, in accordance with the development of science, technology, resilience needs, and national capacity.
- (3) Others, as referred to in section (2) point f, are determined by the Minister after coordinating with related ministers.

Article 32

- (1) Climate Change Adaptation in other fields, for the marine sector or blue carbon, is carried out by a ministry administering government affairs in the field of marine and fisheries.

- (2) Policy in the marine sector or blue carbon as referred to in section (1) is implemented in accordance with the development of science and technology and may be considered in Climate Change Adaptation Action in other fields for the marine sector or blue carbon in order to achieve NDC targets.

Article 33

Implementation of Climate Change Adaptation is carried out in stages of:

- a. planning of Climate Change Adaptation Action;
- b. implementation of Climate Change Adaptation Action;
- and
- c. monitoring and evaluation of Climate Change Adaptation Action.

Paragraph 2

Planning of Climate Change Adaptation Action

Article 34

The planning of Climate Change Adaptation Action as referred to in Article 33 point a is carried out to achieve Climate Resilience through stages of:

- a. Climate Change Impact Inventory;
- b. development and determination of Climate Resilience Baseline;
- c. development and determination of Climate Resilience target; and
- d. development and determination of Climate Change Adaptation Action plan.

Article 35

- (1) The Climate Change Impact Inventory as referred to in Article 34 point a is carried out in stages of:
 - a. identification of regions experiencing an increase in air temperature based on historical and projected data; and
 - b. identification of climate change impact on priority

fields in the region as referred to in point a.

- (2) Climate Change Impact Inventory is prepared by related ministers and/or heads of institutions.
- (3) Results of Climate Change Impact Inventory at least contain:
 - a. level of vulnerability, risk, and impact of climate change; and
 - b. options of Climate Change Adaptation Action.

Article 36

- (1) The preparation of Climate Resilience Baseline as referred to in Article 34 point b is carried out based on:
 - a. results of Climate Change Impact Inventory;
 - b. Long- Term Development Plan (RPJP, *Rencana Pembangunan Jangka Panjang*); and
 - c. Medium- Term Development Plan (RPJM, *Rencana Pembangunan Jangka Menengah*).
- (2) The Climate Resilience Baseline as referred to in section (1) serves as the basis for:
 - a. determination of Climate Resilience target;
 - b. formulation of Climate Change Adaptation Action plan; and
 - c. measurement of the index of Climate Resilience achievement.
- (3) Preparation of Climate Resilience Baseline is carried out by related ministers and/or heads of institutions and coordinated by the Minister.
- (4) Results of the development of Climate Resilience Baseline is determined by the Minister and stated in NDC document.

Article 37

- (1) Preparation of national Climate Resilience target as referred to in Article 34 point c is at least based on:
 - a. Climate Resilience Baseline;
 - b. roadmap and strategy for NDC implementation;
 - c. national economic growth;

- d. social and cultural aspects;
 - e. gender equality and vulnerable groups;
 - f. effectiveness of Climate Change Adaptation Action;
and
 - g. national development priority.
- (2) Preparation of Climate Resilience targets is carried out by related ministers/heads of institutions and coordinated by the Minister.
- (3) The results of the preparation of Climate Resilience target as referred to in section (2) is established by the Minister and stated in NDC document.

Article 38

- (1) Climate Resilience Baseline and/or Climate Resilience targets that have been determined by Minister may be revised in the event of:
- a. natural and non-natural disasters;
 - b. revision to development policy related to climate change; and/or
 - c. revision in methodology for the risk and impact vulnerability analysis of climate change that have a significant impact.
- (2) Revision to Climate Resilience Baseline and/or target is carried out in stages of:
- a. related ministers and/or heads of institutions in accordance with their authorities submit proposal of revision to Climate Resilience Baseline and/or target to the Minister;
 - b. based on the revision proposed, as referred to in point a, the Minister coordinates with related ministers and/or heads of institutions; and
 - c. in the event that revision proposed to Climate Resilience Baseline and/or targets are approved, the Minister determines the revision to Climate Resilience Baseline and/or targets.

Article 39

Formulation and determination of Climate Change Adaptation

Action plan as referred to in Article 34 point d are carried out within the scope of:

- a. nation ;
- b. province; and
- c. regency/municipality.

Article 40

- (1) Formulation of national Climate Change Adaptation Action plan is carried out through stages of:
 - a. development of options for Climate Change Adaptation Action; and
 - b. priority setting for Climate Change Adaptation Action.
- (2) Formulation of national Climate Change Adaptation Action plan refers to:
 - a. Climate Resilience Baseline and targets;
 - b. NDC document, NDC roadmap, and NDC implementation strategy;
 - c. national Environmental Protection and Management Plan (RPPLH, *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup*);
 - d. national Long- Term Development Plan (RPJP, *Rencana Pembangunan Jangka Panjang*); and
 - e. national Medium Term Development Plan (RPJM, *Rencana Pembangunan Jangka Menengah*).
- (3) National Climate Change Adaptation Action Plan at least contains:
 - a. policy related to Climate Change Adaptation in each field; and
 - b. implementation strategy of Climate Change Adaptation Action.
- (4) The policy related to national Climate Change Adaptation in each field as referred to in section (3) point a at least contains:
 - a. policy related to Climate Change Adaptation; and
 - b. Climate Change Adaptation Action program and activity.

- (5) The implementation strategy of national Climate Change Adaptation Action as referred to in section (3) point b contains at least:
 - a. elaboration of program, Climate Change Adaptation activity, and Climate Change Adaptation Action plan along with plan for achieving climate resilience target; and
 - b. means and timeline of Climate Change Adaptation Action plan.
- (6) Formulation of national Climate Change Adaptation Action plan is carried out by related ministers/heads of institutions and coordinated by the Minister.
- (7) The results of the formulation as referred to in section (6) is established by the Minister as a national Climate Change Adaptation Action plan.

Article 41

- (1) Formulation of provincial and regency/municipality Climate Change Adaptation Action plans is carried out through stages of:
 - a. development of options for Climate Change Adaptation Actions; and
 - b. deciding priority for Climate Change Adaptation Action.
- (2) Formulation of provincial Climate Change Adaptation Action plan at least refers to:
 - a. national Climate Change Adaptation Action plan;
 - b. provincial medium-term development plan (RPJMD, *Rencana Pembangunan Jangka Menengah Daerah*);
 - c. provincial environmental protection and management plan (RPPLH, *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup*).
- (3) Development of regency/municipality Climate Change Adaptation Action plan at least refers to:
 - a. provincial Climate Change Adaptation Action plan;
 - b. regency/municipality Regional Medium-term Development Plan (RPJMD, *Rencana Pembangunan Jangka Menengah Daerah*);

- c. regency/municipality Environmental Protection and Management Plan (RPPLH, *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup*).
- (4) Provincial and regency/municipality Climate Change Adaptation Action plans at least contain:
 - a. policy related to Climate Change Adaptation in each field; and
 - b. implementation strategy for Climate Change Adaptation Action.
 - (5) The policy related to provincial and regency/municipal Climate Change Adaptation in each field as referred to in section (4) point a at least contain:
 - a. field policy related to Climate Change Adaptation; and
 - b. Climate Change Adaptation Action program and activity.
 - (6) The Implementation strategy for provincial and regency/municipal Climate Change Adaptation Action as referred to in section (4) point b, at least contains:
 - a. elaboration of program, Climate Change Adaptation activity, and Climate Change Adaptation Action plan, along with plan for achieving climate resilience target; and
 - b. means and timeline of Climate Change Adaptation action plan.
 - (7) Formulation of provincial and regency/municipal Climate Change Adaptation Action plans is carried out by governors or regents/mayors in accordance with their authorities.
 - (8) The results of formulation as referred to in section (7) are established by governors or regents/mayors in accordance with their authorities as provincial or regency/municipality Climate Change Adaptation Action plan.

Paragraph 3

Implementation of Climate Change Adaptation Action

Article 42

- (1) The implementation of Climate Change Adaptation Action as referred to in Article 33 point b is carried out within the scope of:
 - a. nation;
 - b. province; and
 - c. regency/municipality.
- (2) Implementation of the national Climate Change Adaptation Action is carried out in each field in terms of:
 - a. food security, carried out by minister administering government affairs in the fields of agriculture, marine, fisheries, livestock, forestry, plantation, and coordinated by minister administering government affairs in the field of agriculture;
 - b. water security, carried out by minister administering government affairs in the fields of public works, forestry, environmental protection and management, and coordinated by minister administering government affairs in the field of public works;
 - c. energy security, carried out by minister administering government affairs in the fields of energy, forestry, public works, marine, plantation, and coordinated by minister who administers government affairs in the field of energy;
 - d. health resilience, carried out by minister who administers government affairs in the fields of health, environmental protection and management, forestry, public works, and coordinated by minister who administers government affairs in the field of health; and
 - e. ecosystem resilience, carried out by minister who administers government affairs in the field of environmental protection and management, forestry, marine and coordinated by the Minister.

- (3) Implementation of national Climate Change Adaptation Action is coordinated by the Minister.
- (4) Implementation of provincial Climate Change Adaptation Action is carried out by governors.
- (5) Regency/municipality Climate Change Adaptation Actions is carried out by regents/mayors.
- (6) Business Actors and the public participate in Climate Resilience enhancement as part of implementation of Climate Change Adaptation Action.

Paragraph 4

Monitoring and Evaluation of Climate Change Adaptation Action

Article 43

- (1) The monitoring and evaluation of Climate Change Adaptation Action as referred to in Article 33 point c is carried out within the scope of:
 - a. nation;
 - b. province; and
 - c. regency/municipality.
- (2) The monitoring and evaluation as referred to in section (1) are at least carried out for implementation of:
 - a. Climate Change Adaptation policy;
 - b. Climate Change Adaptation Action; and
 - c. capacity building on means of implementation.
- (3) The monitoring and evaluation of national Climate Change Adaptation Action as referred to in section (1) point a, include the field of:
 - a. food security, carried out by minister administering government affairs in the fields of agriculture, marine, fisheries, livestock, forestry, plantations, and coordinated by minister who administers government affairs in the field of agriculture;
 - b. water security, carried out by minister administering government affairs in the fields of public works, forestry, environmental protection and management, and coordinated by minister administering government affairs in the field of public works;

- c. energy security, carried out by minister administering government affairs in the fields of energy, forestry, public works, marine, plantations, and coordinated by minister administering government affairs in the field of energy;
 - d. health resilience, carried out by minister administering government affairs in the fields of health, environmental protection and management, forestry, public works, and coordinated by minister administering government affairs in the field of health; and
 - e. ecosystem resilience, carried out by minister administering government affairs in the field of environmental protection and management, forestry, marine and coordinated by the Minister.
- (4) Monitoring and evaluation of national Climate Change Adaptation Action are coordinated by the Minister.
 - (5) Results of monitoring and evaluation of national Climate Change Adaptation Action carried out by related ministers and/or heads of institutions are submitted to the Minister.
 - (6) Monitoring and evaluation of provincial Climate Change Adaptation Action are carried out by governors.
 - (7) Results of monitoring and evaluation of provincial Climate Change Adaptation Action carried out by governors are submitted to the Minister.
 - (8) Monitoring and evaluation of regency/municipality Climate Change Adaptation Action are carried out by regents/mayors.
 - (9) Results of monitoring and evaluation of Climate Change Adaptation Action carried out by regents/mayors are submitted to governors.

Article 44

Further provisions regarding the implementation of Climate Change Adaptation as referred to in Article 31 to Article 43 are regulated in Ministerial Regulation.

CHAPTER IV
PROCEDURE FOR IMPLEMENTATION OF CARBON PRICING

Part One

General

Article 45

Implementation of Climate Change Mitigation Action and Climate Change Adaptation Action may be carried out through the implementation of NEK.

Article 46

- (1) Implementation of NEK is carried out in the Sectors and Sub-Sectors.
- (2) Implementation of NEK is carried out by:
 - a. ministries/institutions;
 - b. local governments;
 - c. Business Actors; and
 - d. public.

Article 47

- (1) Implementation of NEK is carried out through mechanisms of:
 - a. Carbon Trading;
 - b. Results-Based Payment;
 - c. Carbon Levy; and/or
 - d. other mechanisms in accordance with the development of science and technology determined by the Minister.
- (2) The implementation of NEK as referred to in section (1) is determined by related ministers based on:
 - a. NDC roadmap;
 - b. strategy for achieving NDC target in Sectors;
 - c. GHG Emissions Cap;
 - d. time effectiveness and cost efficiency; and
 - e. development of science, technology, and capacity of Sector.

Part Two
Carbon Trading

Article 48

- (1) The Carbon Trading as referred to in Article 47 section (1) point a may be carried out through domestic trade and/or foreign trade.
- (2) Main elements of the implementation of Carbon Trading through domestic trade and/or foreign trade as referred to in section (1) include:
 - a. mechanism and procedure for Emissions Trading;
 - b. mechanism and procedure for GHG Emissions Offset;
 - c. use of state revenue from domestic Carbon Trading;
 - d. mechanism and procedure for approval and registration;
 - e. profit sharing of trade;
 - f. guideline for implementation of Carbon Trading; and
 - g. transfer of domestic Carbon Rights status carried out through the registry mechanism of SRN PPI, and transfer of foreign Carbon Rights carried out through the registry mechanism of SRN PPI and authorization of foreign Carbon Trading.
- (3) Carbon trading through domestic trade and/or foreign trade is carried out:
 - a. based on related SRN PPI; or
 - b. by prioritizing the use of Certificate of GHG Emissions Reduction produced through the national emission reduction certification mechanism.
- (4) Carbon Trading policy through domestic trade and/or foreign trade is determined by the Minister after coordinating with related ministers.

Article 49

- (1) Implementation of Carbon Trading through a foreign trade mechanism does not reduce the achievement of NDC target in 2030.

- (2) Domestic and foreign Carbon Trading are carried out through mechanisms of:
 - a. Emissions Trading; and
 - b. GHG Emissions Offset.
- (3) The Carbon Trading as referred to in section (2) may be carried out across the Sectors.
- (4) Further provisions regarding the implementation of cross Sector Carbon Trading as referred to in section (3) are regulated in a Ministerial Regulation after coordinating with related ministers.

Article 50

- (1) The Emissions Trading mechanism as referred to in Article 49 section (2) point a on domestic Carbon Trading includes:
 - a. trading procedure;
 - b. MRV procedure;
 - c. arrangement on the use of Carbon Unit; and
 - d. arrangement on the use of ownership transfer of Carbon Unit.
- (2) The Emissions Trading mechanism as referred to in section (1) is applied to business and/or activity that have GHG Emissions Cap which has been determined through the allowance by related ministers.

Article 51

- (1) The implementation of Carbon Trading using established GHG Emissions Cap as referred to in Article 50 section (2), is selected if, based on the evaluation, it is known that there are business and/or activity:
 - a. Mitigation Action carried out with emissions above the established GHG Emissions Cap; or
 - b. Mitigation Action carried out with emissions below the established GHG Emissions Cap.
- (2) The implementation of Carbon Trading as referred to in section (1) is carried out through the transfer of Carbon Unit by Business Actors.

- (3) The transfer of Carbon Unit as referred to in section (2) does not affect the achievement of NDC target.

Article 52

- (1) The GHG Emissions Offset mechanism as referred to in Article 49 section (2) point b is applied in the event that a business and/or activity that does not have a GHG Emissions Cap provides a statement of emissions reduction using results of Mitigation Action from other business and/or activity.
- (2) The GHG Emissions Offset as referred to in section (1) is applied in the event that a business and/or activity:
 - a. has no Emissions Cap specified;
 - b. is the results of GHG Emissions reduction from Climate Change Mitigation Action carried out below target and Baseline established; or
 - c. is the results of GHG Emissions reduction from Climate Change Mitigation Action carried out above the target and below the Baseline established.
- (3) The mechanism of GHG Emissions Offset implementation as referred to in section (1) and section (2) in domestic Carbon Trading includes:
 - a. GHG Emissions Offset calculation procedure;
 - b. procedure for issuing GHG Emission Offset statement; and
 - c. provisions on the use of certificate of emissions reduction.

Article 53

- (1) Business and/or activity, in which results of GHG Emissions reduction from Climate Change Mitigation Action carried out, are below and above the target of established Baseline as referred to in Article 52 section (2) point b and point c, are carried out in the time of:
 - a. emissions surplus or emissions reduction achievement is below the target and Baseline thus may sell to other party; or

- b. emissions deficit or emissions reduction achievement is above the target and below the emissions Baseline, thus may be purchased from the party who has a surplus.
- (2) Purchase of GHG Emissions in GHG Emissions Offset may only be carried out after the Business Actor has fulfilled their obligations in GHG Emissions reduction through Climate Change Mitigation Action.
 - (3) Further provisions regarding the procedure for Carbon Trading implementation are regulated in a Ministerial Regulation.

Article 54

- (1) Domestic and/or foreign Carbon Trading is carried out by:
 - a. carbon market mechanism through Carbon Exchange; and/or
 - b. direct trade.
- (2) The Carbon Trading through the carbon market mechanism as referred to in section (1) point a is carried out by:
 - a. development of Carbon Trading infrastructure;
 - b. arrangement on the utilization of state revenue from Carbon Trading; and/or
 - c. administration of carbon transaction.
- (3) The Development of Carbon Trading infrastructure as referred to in section (2) point a is carried out by Minister along with related ministers/heads of institutions.
- (4) The State revenue from Carbon Trading as referred to in section (2) point b is non-tax state revenue obtained from levy on transactions of Carbon Unit trading.
- (5) The arrangement on the utilization of state revenue from Carbon Trading as referred to in section (4) is carried out in accordance with the provisions of legislation.
- (6) The Administration of carbon transactions as referred to in section (2) point c is carried out through the registry and documentation of Carbon Trading implementation.

- (7) Carbon market exchange center is domiciled in Indonesia.
- (8) Further provisions regarding the procedure for Carbon Trading implementation are regulated in a Ministerial Regulation.

Part Three
Results-Based Payment

Article 55

- (1) Results-Based Payment is made based on results/benefits of reducing GHG Emissions generated by ministries/institutions, local governments, and Business Actors.
- (2) The Results-Based Payment mechanism as referred to in section (1) is carried out based on verification results of GHG Emissions reduction achievement and/or conservation/increment of carbon stocks carried out by business and/or activity.
- (3) The Results-Based Payment as referred to in section (1) covers the scope of:
 - a. international, whereby international parties may make payment to the Government or provincial government with approval of the Government;
 - b. national, whereby the Government may make payment to provincial governments, regency/municipal governments, Business Actors, and/or the public; and
 - c. province, whereby provincial governments may make payment to regency/municipal governments, Business Actors, and/or the public.
- (4) The implementation of Results-Based Payment as referred to in section (1) does not lead to the transfer of carbon ownership.
- (5) In the event of the implementation of Results-Based Payment, mitigation results are part of NDC target achievement.

- (6) Further provisions regarding the procedure for Results-Based Payment are regulated in regulations of related ministers.

Article 56

- (1) In implementing Results-Based Payment, Minister develops general guidelines containing:
 - a. implementation of Results-Based Payment;
 - b. procedures for receiving Results-Based Payment for the Governments, local governments, Business Actors, and the public; and
 - c. monitoring, evaluation, and capacity building.
- (2) Further provisions regarding the general guideline of Results-Based Payment are regulated in Ministerial Regulation.

Article 57

- (1) In Results-Based Payment, benefits are regulated, which consists of:
 - a. beneficiary; and
 - b. benefits distribution mechanism.
- (2) The Beneficiary as referred to in section (1) point a comprises ministries/institutions, local governments, Business Actors, and the public.
- (3) The Benefit distribution mechanism for beneficiary as referred to in section (1) point b is conducted based on:
 - a. authority;
 - b. GHG emissions reduction results; and
 - c. efforts or actions to refrain from production of GHG emissions.
- (4) The implementation of benefit distribution mechanism of Results-Based Payment as referred to in section (1) point b is based on role and contribution of each party on Climate Change Mitigation Action and/or Climate Change Adaptation Action results.
- (5) Further provisions regarding the implementation of benefit distribution of Results-Based Payment are regulated in a Ministerial Regulation.

Part Four
Carbon levy

Article 58

- (1) The implementation of NEK through the implementation of Carbon Levy as referred to in Article 47 section (1) point c is carried out in the form of tax in central and regional area, customs and excise, and other state levies, based on carbon content and/or potential carbon emissions and/or the amount of carbon emissions and/or Climate Change Mitigation Action results.
- (2) The Carbon Levy as referred to in section (1) is carried out in accordance with the provisions of legislation.
- (3) Minister administering government affairs in the field of state finance develops policy and strategy for Carbon Levy implementation after coordinating with the Minister and related ministers in accordance with the objectives of achieving NDC targets and emissions control for national development.

Article 59

- (1) The implementation of funding management and benefits distribution from Carbon Trading, Results-Based Payment, and Carbon Levy may be carried out by environmental fund management agency or designated agency.
- (2) The type of state revenue from Carbon Levy through non-tax state revenue managed by environmental fund management agency or designated agency as referred to in section (1) is carried out in accordance with the provisions of legislation.
- (3) In the event of the necessity for fund management and utilization adjustment done by environmental fund management agency, the adjustment is carried out in accordance with the provision of legislation.

CHAPTER V
TRANSPARENCY FRAMEWORK

Part One
General

Article 60

Any effort to achieve NDC target through the implementation of Climate Change Mitigation, Climate Change Adaptation, and NEK is conducted in an accurate, consistent, transparent, sustainable, and accountable manner through:

- a. MRV;
- b. SRN PPI; and
- c. certification of GHG emissions reduction.

Part Two
Measurement, Reporting, and Verification

Article 61

- (1) MRV for Climate Change Mitigation Action, Climate Change Adaptation Action, and NEK is carried out in an integrated manner.
- (2) The integration as referred to in section (1) is conducted by applying efficient, effective, and transparent principles.
- (3) The Guidelines for implementing MRV for Climate Change Mitigation Action, Climate Change Adaptation Action, and NEK as referred to in section (1) and the integration as referred to in section (2) are regulated in a Ministerial Regulation after coordinating with related ministers.

Paragraph 1
Measurement

Article 62

- (1) Measurement of Mitigation Action is conducted by related

ministers, governors, regents/mayors, and Business Actors to acquire:

- a. the amount of GHG emissions or actual carbon sequestration; and
 - b. the amount of GHG emissions reduction or carbon sequestration increment.
- (2) The measurement of the amount of GHG emissions or actual carbon sequestration as referred to in section (1) point a is conducted through:
- a. establishing action plan, location, and achievement target, and period of Mitigation Action implementation;
 - b. managerial system;
 - c. evaluating Mitigation Action achievement;
 - d. calculating the amount of GHG emissions using multiplication between activity data and GHG Emissions Factor; and
 - e. calculating the amount of GHG Emissions or carbon sequestration periodically.
- (3) GHG Emissions reduction achievement is measured by comparing the measurement results of GHG Emissions reduction and/or GHG sequestration increment as referred to in section (1) point b with the GHG Emissions Baseline.
- (4) The measurement as referred to in section (2) and section (3) is conducted by related ministers, governors, regents/mayors, and Business Actors at least 1 (one) time in 1 (one) year.

Article 63

The achievement accumulation of Climate Change Mitigation Action is obtained by subtracting GHG Emissions Baseline from the amount of GHG Emissions or actual carbon sequestration as referred to in Article 62 section (1).

Article 64

- (1) The measurement of the achievement of national Climate

Change Adaptation Action is conducted by the executor of Climate Change Adaptation Action by comparing indicator or target indicator in the planning and the implementation results.

- (2) The measurement of the achievement of national Climate Change Adaptation Action as referred to in section (1) is conducted periodically at least 1 (one) time in 1 (one) year.

Article 65

NEK measurement is conducted by the executor of NEK to gain:

- a. the allowance of Emissions Cap;
- b. the amount of GHG Emissions or actual carbon sequestration; and
- c. the amount of GHG Emissions reduction or GHG sequestration increment.

Paragraph 2

Reporting

Article 66

- (1) Reporting on the implementation of Climate Change Mitigation Action and NEK contains general data and technical data on implementation report.
- (2) The general data contained in implementation report of Climate Change Mitigation Action and NEK as referred to in section (1) comprises:
 - a. the executor and person-in-charge of the action implementation;
 - b. title and type of activity;
 - c. Climate Change Mitigation Action mechanism and NEK selected; and
 - d. Means of Implementations covering technology transfer, capacity building, and finance.
- (3) The technical data specified in the implementation report of Climate Change Mitigation Action and NEK as referred

to section (1) include:

- a. calculation of GHG Emissions Baseline;
 - b. selecting period to establish GHG Emissions Baseline;
 - c. assumption used in developing GHG Emissions Baseline;
 - d. calculation of GHG Emissions Cap amount in NEK;
 - e. Climate Change Mitigation Action achievement calculation methodology;
 - f. results of data activity monitoring, including size, location, and period of implementation of Climate Change Mitigation Action;
 - g. Climate Change Mitigation Action implemented, including size, location, and period of Climate Change Mitigation Action;
 - h. the amount of GHG Emissions reduction and/or GHG sequestration targets;
 - i. description of managerial system, including the name of the person-in-charge of the action and the system built for monitoring and collecting data activity related to Climate Change Mitigation Action and NEK implemented.
- (4) The implementation report of Climate Change Mitigation Action and NEK as referred to in section (1) is carried out by:
- a. related ministers, for reporting Climate Change Mitigation Action in Sectors;
 - b. governors and regents/mayors, for reporting Climate Change Mitigation Action in provinces and regencies/municipalities; and
 - c. Business Actors, for reporting Climate Change Mitigation Action in their business unit/area.
- (5) The data report on Climate Change Mitigation Action and NEK implementation as referred to in section (1) is registered in SRN PPI serving as a basis for conducting verification.
- (6) Reporting, monitoring, and evaluation procedures for

Climate Change Mitigation Action are conducted in accordance with the provisions of the legislation.

Article 67

- (1) Climate Change Adaptation Action reporting contains data on:
 - a. Climate Change Adaptation Action policy;
 - b. vulnerability, risk, and impact of climate change assessment;
 - c. planning and implementation of Adaptation Action, including Baseline and target;
 - d. monitoring and evaluation;
 - e. capacity building;
 - f. technology; and
 - g. Climate Change Mitigation Action funding.
- (2) The reporting on Climate Change Mitigation Action is carried out at least 1 (one) time in 1 (one) year.
- (3) The data report on Climate Change Mitigation Action as referred to in section (1) is registered in SRN PPI serving as a basis for implementing verification.
- (4) Further provisions regarding Climate Change Adaptation Action reporting procedure are regulated in a Ministerial Regulation.

Paragraph 3

Validation and Verification

Article 68

- (1) Quality control and assurance of the measurement and monitoring results of Climate Change Mitigation Action, Climate Change Adaptation Action, and NEK implementation are carried out through validation and verification.
- (2) Validation and verification of the measurement and monitoring reporting results of Climate Change Mitigation Action, Climate Change Adaptation Action, and NEK are reported and are registered into SRN PPI.

- (3) The validation and verification as referred to in section (2) are carried out by the Minister.
- (4) Business and/or activity which implement NEK related to Carbon Trading and Results-Based Payment are obligated to deliver the results of validation and verification conducted by independent validator and verifier.
- (5) The independent validator and verifier as referred to in section (4) have the competency as validator and verifier of the Climate Change Mitigation Action achievement.
- (6) Further provisions regarding the procedure for validation, verification, and competency standard of independent validator and verifier are regulated in a Ministerial Regulation.

Part Three

National Registry System for Climate Change Control

Article 69

- (1) In the effort to achieve NDC target, every Business Actor is obligated to register and report the implementation of Climate Change Mitigation Action, Climate Change Adaptation Action, NEK, and means of implementation in SRN PPI.
- (2) The registering and reporting results as referred to in section (1) generate national, Sektor, Sub-sector, and regional data related to GHG Emissions and Climate Resilience which are reliable and correct after being verified in accordance with the provisions of legislation.
- (3) The results of registering and reporting serve as:
 - a. a basis for the Government for acknowledging the contribution of NEK implementation in achieving NDC target;
 - b. data and information on mitigation action and resources for NEK implementation;
 - c. efforts to avoid double counting of Climate Change Mitigation Action; and

- d. a basis of transfer tracing.
- (4) The national, Sector, Sub-Sector, and regional data as referred to in section (2) serve as national and international reference in one data GHG Emissions and Climate Resilience which is synergized and coordinated by the Minister.
- (5) Further provisions regarding SRN PPI implementation are regulated in a Ministerial Regulation.

Article 70

- (1) Administrative sanction is applied to Business Actors that do not perform the obligation to register and report the implementation of Climate Change Mitigation Action, Climate Change Adaptation Action, and NEK, and means of implementation in SRN PPI as referred to in Article 69 section (1).
- (2) The administrative sanction as referred to in section (1) is in the form of:
 - a. warning letter;
 - b. administrative coercion;
 - c. fines;
 - d. suspension of Certificate of GHG Emissions reduction; and
 - e. revocation of Certificate of GHG Emissions reduction.
- (3) The imposition of administrative sanction does not relieve business and/or activity from lawsuit and criminal charge in accordance with the provisions of legislation.
- (4) Further provisions regarding procedure for sanction imposition are regulated in a Ministerial Regulation.

Part Four

Emission Reduction Certification

Article 71

- (1) Certification of GHG Emissions Reduction is used in NEK implementation.

- (2) GHG Emissions Reduction Certification is used as:
 - a. a proof of GHG Emissions reduction results;
 - b. Carbon Trading;
 - c. Payment for Climate Change Mitigation Action results;
 - d. GHG Emissions compensation; and
 - e. a proof of environmentally sound business and/or activity performance to obtain funding from bond and sukuk schemes.
- (3) Certificate of GHG Emission Reduction is issued to business and/or activity through the following stages:
 - a. registration in SRN PPI;
 - b. verification by independent verifier; and
 - c. reporting verification results to the Minister and using it as a basis for certificate issuance.
- (4) In the event that Business Actor does not report the measurement of NEK implementation results in SRN PPI, the Minister does not issue the Certificate of GHG Emission Reduction.
- (5) In issuing the certificate as referred to in section (3) point c, the Minister assigns director-general who carries out climate change control function.
- (6) Further provisions regarding Certification of GHG Emissions Reduction are regulated in a Ministerial Regulation.

Article 72

- (1) In the event that business and/or activity use other scheme of a Certification of GHG Emissions than the Certification of GHG Emissions Reduction as referred to in Article 71, requirements must be met:
 - a. principles, procedures, and provisions in international standard and/or Indonesian National Standard are in line with ISO 14064 and ISO 14065; and
 - b. competence of the organizer of certification scheme is accredited by National Accreditation Committee.

- (2) The recognition of other GHG Emissions certification schemes as referred to in section (1) is carried out by the Minister.

Article 73

- (1) Certificate of GHG Emission Reduction may be used by:
 - a. certificate holder, for participating in Carbon Trading with the authorization from the Minister and for fulfilling the obligation related to Indonesia NDC target achievement by Results-Based Payment.
 - b. the Government, as a basis for Carbon Levy calculation;
 - c. certificate holder, as a basis for carbon label used by organizations or products in accordance with standard and scheme of relevant label instrument certification;
 - d. certificate holder, as a basis for providing information for consumers, supply chain, and sustainability report as well as information instruments; and
 - e. certificate holder, as a basis for environmentally friendly finance access application, or instrument of sustainable finance.
- (2) The utilization of Certificate of GHG Emissions Reduction as referred to in section (1) is conducted in accordance with the provisions of legislation.
- (3) Certificate of GHG Emission Reduction is prohibited to be used in a contract, which stipulates the transfer of rights of GHG Emissions Reduction Certification value, with other parties in international trading without the Minister authorization.
- (4) In the event of violation of the prohibition as referred to in section (2), the Minister revokes the Certificate of GHG Emission Reduction.
- (5) The revocation of the Certificate of GHG Emission Reduction is issued after the issuance of reprimand and/or warning letter at the maximum of 3 (three) times.

- (6) In the event that the Minister does not issue Certificate of GHG Emission Reduction as referred to in section (3), Business Actors are prohibited from NEK implementation thus they do not have opportunity to acquire economic benefit from NEK implementation.
- (7) Providers of Certification of GHG Emissions reduction develop and implement a mutual recognition mechanism with other schemes of certification of GHG Emissions, in order to ensure all Mitigation Actions and GHG Emissions reduction results achieved by parties in Indonesia issuing certifications from other parties are registered in SRN PPI that may be traced and be compatible with certification of GHG Emissions reduction.
- (8) The Certificate of GHG Emission Reduction issued through certification mechanism other than certification of GHG Emissions reduction mechanism may be used in domestic Carbon Trading if:
 - a. it is originating from Mitigation Action within the territory of the Unitary State of the Republic of Indonesia;
 - b. it is derived from Mitigation Action results before 2021;
 - c. it is based on certification mechanism proposed by a well-reputed party;
 - d. it is based on a mechanism which requires a verification done by competent third party; and
 - e. it is registered in SRN PPI.

Article 74

- (1) In NEK implementation, the climate change management action label system is applied as part of environmentally friendly labelling system.
- (2) The climate change management action label system as referred to in section (1) provides verified information about climate change action results from a product, activity, or agency.

- (3) The implementation of climate change control action label aims to:
 - a. meet market demand;
 - b. increase market demand; and
 - c. strengthen environmentally friendly image to the public.
- (4) Climate change control action label may be used for environmentally friendly goods and/or services procurement.

Article 75

- (1) In the event that Business Actors of GHG Emissions Offset Trading do not perform their obligation of:
 - a. Mitigation Action implementation registration;
 - b. Climate Change Mitigation Action; and/or
 - c. GHG Emissions Offset mechanism and procedure,the Minister may not provide incentive and may impose administrative sanction after coordinate with and obtain approval from related ministers.
- (2) The implementation of administrative sanction is imposed as stipulated in Article 70 section (2), section (3), and section (4),
- (3) The imposition of administrative sanction does not relieve business and/or activity from lawsuit and criminal charge in accordance with the provisions of legislation.
- (4) Further provisions regarding the procedure for imposing sanction are regulated in a Ministerial Regulation.

Article 76

- (1) In the event that Business Actors do not report the implementation of Climate Change Mitigation Action, Climate Change Adaptation Action, NEK, and means of implementation into SRN PPI, the Minister does not issue Certificate of GHG Emissions Reduction and/or does not grant authorization.
- (2) In the event that the Minister does not issue Certificate of GHG Emissions Reduction and/or does not grant

authorization as referred to in section (1), Business Actors are prohibited from performing NEK.

Article 77

- (1) The Minister manages mutual recognition cooperation in international Carbon Trading.
- (2) The management of mutual recognition cooperation as referred to in section (1) is conducted through:
 - a. mutually disclosing information on MRV standard application;
 - b. conducting conformity assessment of international standard and/or Indonesian National Standard application;
 - c. conformity assessment statement of international standard and/or Indonesian National Standard;
 - d. establishing and implementing mutual recognition cooperation; and
 - e. registering a certification which is acknowledged by both parties into SRN PPI.
- (3) The mutual recognition cooperation as referred to in section (1) is supported by capacity building for verification, publication, and promoting cooperation.
- (4) Further provisions regarding the procedure for mutual recognition cooperation management in international Carbon Trading are regulated in a Ministerial Regulation.

CHAPTER VI

MONITORING AND EVALUATION

Article 78

- (1) In order to achieve NDC target in 2030, monitoring and evaluation of GHG Emissions reduction achievement are carried out.
- (2) Monitoring and evaluation of GHG Emissions reduction achievement in the context of NDC are carried out on:
 - a. GHG inventory implementation;
 - b. Climate Change Mitigation implementation;

- c. Climate Change Adaptation implementation
 - d. NEK implementation;
 - e. Transparency framework implementation; and
 - f. capacity building.
- (3) Monitoring and evaluation are conducted by:
- a. the Minister, for national monitoring and evaluation;
 - b. related ministers, according to their authorities, for Sub-Sector monitoring and evaluation;
 - c. governors, for provincial monitoring and evaluation;
 - d. regents/mayors, for regency/municipal monitoring and evaluation; and
 - e. Business Actors, for company monitoring and evaluation in their businesses and/or activities area.

Article 79

- (1) The results of monitoring and evaluation conducted by Business Actors are submitted to regents/mayors, governors, or related ministers in accordance with the allowance obtained.
- (2) The results of monitoring and evaluation conducted by a regent/mayor are submitted to a governor.
- (3) The results of monitoring and evaluation conducted by a governor are submitted to the Minister.
- (4) The results of monitoring and evaluation conducted by related ministers are submitted to the Minister.

Article 80

- (1) Based on the results of monitoring and evaluation as referred to in Article 79, the Minister develops NEK implementation report for achieving NDC target by involving related ministers and/or heads of institutions.
- (2) The report as referred to in section (1) at least comprises:
 - a. the results of national GHG inventory;
 - b. national GHG Emissions Baseline;
 - c. national GHG Emissions reduction target;
 - d. national Climate Change Mitigation Action plan;
 - e. national Climate Change Adaptation Action plan;

- f. the results of NEK implementation for achieving NDC; and
 - g. national GHG Emissions reduction results.
- (3) The results of report development as referred to in section (1) are delivered to the President through the minister coordinating government affairs in the field of maritime and investment at least 1 (one) time in 1 (one) year.

CHAPTER VII CAPACITY BUILDING AND FINANCE

Part One Capacity Building

Article 81

- (1) The Minister, minister administering government home affairs, and related ministers, individually and collectively based on the needs and in accordance with the provisions of legislation, design capacity building in GHG Emissions Inventory implementation, NDC target achievement, NEK instrument, and GHG Emissions control for the development to provincial governments, Business Actors, and stakeholders.
- (2) Governors conducts capacity building for regency/municipal governments and stakeholders about NEK implementation, GHG Emissions Inventory implementation to achieve NDC target, and GHG Emissions control for the development.
- (3) Regents/mayors conducts capacity building for stakeholders about NEK implementation, GHG Emissions Inventory implementation to achieve NDC target, and GHG Emissions control for the development.
- (4) Capacity building is conducted in a systematic, harmonious, and measurable manner.

Article 82

- (1) In providing the capacity building as referred to in Article 81, the Government may encourage participation of parties in the implementation of Climate Change Mitigation Action and Climate Change Adaptation Action as well as NEK through:
 - a. providing information;
 - b. capacity enhancement; and/or
 - c. appreciation and reward.
- (2) Providing information as referred to in section (1) point a at least contains:
 - a. procedure and mechanism for NEK implementation;
 - b. trade opportunity, carbon price, and carbon market;
 - c. Climate Change Mitigation Action;
 - d. mapping level, status, and projection of national, sectors, local government, and business actor of GHG Emissions;
 - e. annual results of GHG Emissions reduction;
 - f. Climate Change Adaptation Action;
 - g. non-carbon value, including without limitation to biodiversity, tourism, water value, and other environmental services; and
 - h. mutual benefits from Mitigation Action and Climate Change Adaptation Action implementation.
- (3) The Capacity enhancement as referred to in section (1) point b is conducted by providing technical training in NDC target achievement efforts and NEK implementation.
- (4) In the event of NEK implementation conducted by the public, the Minister may facilitate MRV assistance.
- (5) The Minister may show appreciation and present an award as referred to in section (1) point c to business and/or activity which reduce GHG Emissions beyond their unconditional obligation, and/or to executor of Climate Change Adaptation Action.
- (6) Further provisions regarding procedures for encouraging participation of parties are regulated in a Ministerial Regulation.

Part Two

Finance

Article 83

- (1) The finance required in order to implement NEK, Climate Change Mitigation, and Climate Change Adaptation may be obtained from:
 - a. State budget (APBN) and/or regional budget (APBD);
 - b. any effort and/or activity which generates GHG Emissions and participates in NEK implementation;
 - c. benefits distribution of NEK implementation allocation, especially for Climate Change Adaptation activity; and/or
 - d. other legal and non-binding sources in accordance with the provisions of legislation.
- (2) The finance originating from APBN as referred to in section (1) point a may be obtained from the Government revenue, loan, issuance of Government securities and/or other sources of finance in accordance with the provisions of legislation.
- (3) Finance framework is carried out through integrating finance sources which may be utilized to achieve the national development goal.

CHAPTER VIII

STEERING COMMITTEE

Article 84

- (1) In order to provide direction and implementation of NEK instruments to achieve NDC and GHG Emissions control in the development, a steering committee is established.
- (2) The steering committee as referred to in section (1) has a duty to give direction related to NEK policy for achieving NDC and GHG Emissions control for the development.
- (3) Steering committee comprises:
 - a. Chairperson: Coordinating Minister for Maritime Affairs and Investment

- b. Vice Chairperson: Coordinating Minister for Economic Affairs
 - c. Members:
 - 1. Minister of Home Affairs;
 - 2. Minister of Finance;
 - 3. Minister of Environment and Forestry;
 - 4. Minister of National Development Planning/National Development Planning Agency;
 - 5. Minister of Energy and Mineral Resources;
 - 6. Minister of Industry;
 - 7. Minister of Transportation;
 - 8. Minister of Public Works and Housing;
 - 9. Minister of Agriculture;
 - 10. Minister of Marine Affairs and Fisheries;
 - 11. Minister of Trade;
 - 12. Head of Meteorology, Climatology, And Geophysics Agency; and
 - 13. Head of Peat and Mangrove Restoration Agency.
 - d. Head of Division:
 - 1. Minister of Environment and Forestry is responsible for NDC and NEK substance;
 - 2. Minister of Home Affairs is responsible for regional coordination;
 - 3. Minister of Finance is responsible for fiscal and finance affairs.
- (4) In carrying out their duty, the steering committee may involve ministries /non-ministerial government institutions, local governments, and other related parties.
- (5) In carrying out their duty, the steering committee are assisted by secretariat and working group.
- (6) Structure and work procedures of the steering committee, secretariat, and working group are regulated in a regulation of the minister coordinating government affairs in the field of maritime and investment as chairperson of the steering committee.

CHAPTER IX
TRANSITIONAL PROVISIONS

Article 85

The implementation of National and Regional Action Plan related to GHG Emissions reduction which remains effective is adjusted to this Presidential Regulation not later than 1 (one) year since the promulgation of this Presidential Regulation.

Article 86

- (1) Business Actors that have implemented Carbon Trading or Results-Based Payment before this Presidential Regulation comes into force are obligated to register and report Climate Change Mitigation Action implementation and owned Carbon Unit into SRN PPI not later than 1 (one) year since the promulgation of this Presidential Regulation.
- (2) Business Actors that do not perform the obligation to register and report Climate Change Mitigation Action and Carbon Unit owned into SRN PPI as referred to in section (1), cannot trade the remaining Carbon Unit owned.
- (3) The Carbon Unit which is still owned by Business Actors and has been registered and reported into SRN PPI as referred to in section (1) can be traded only for domestic Carbon Trading.
- (4) Business Actors that have implemented Carbon Trading or Results-Based Payment before this Presidential Regulation comes into force, are obligated to adjust to the provisions in the procedure for NEK implementation regulated in this Presidential Regulation not later than 2023.
- (5) Business Actors making new transaction since this Presidential Regulation comes into force, however they have not made adjustment as referred to in section (4), additional obligation in the form of benefit distribution Payment on carbon value traded is imposed.

- (6) Business Actors that have Carbon Unit and have not made a transaction of Carbon Trading or Results-Based Payment, are obligated to follow the provisions on NEK implementation procedure not later than 1 (one) year since the promulgation of this Presidential Regulation.

CHAPTER X CLOSING PROVISIONS

Article 87

Implementing regulations of:

- a. Presidential Regulation Number 61 of 2011 on National Action Plan on Greenhouse Gas Emission Reduction; and
 - b. Presidential Regulation Number 71 of 2011 on Implementation of Greenhouse Gas Inventory,
- remain effective insofar not contrary to or not been replaced by the provisions of this Presidential Regulation.

Article 88

At the time this Presidential Regulation comes into force:

- a. Presidential Regulation Number 61 of 2011 on National Action Plan on Greenhouse Gas Emission Reduction; and
 - b. Presidential Regulation Number 71 of 2011 on Implementation of Greenhouse Gas Inventory,
- are repealed and declared ineffective.

Article 89

Implementing regulations of this Presidential Regulation are issued not later than 1 (one) year since the promulgation of this Presidential Regulation.

Article 90

This Presidential Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Presidential Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 29 October 2021
PRESIDENT OF THE REPUBLIC
OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 29 October 2021
MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2021 NUMBER 249

Jakarta, 27 April 2022

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

