



Ministry of Finance
Republic of Indonesia

INDONESIAN ENVIRONMENT FUND TO FOSTER FOREST - POSITIVE AGRICULTURE

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Establishment of the Indonesian Environment Fund (IEF)

INTERNASIONAL COMMITMENT

Multilateral and conventions related to environment, such as

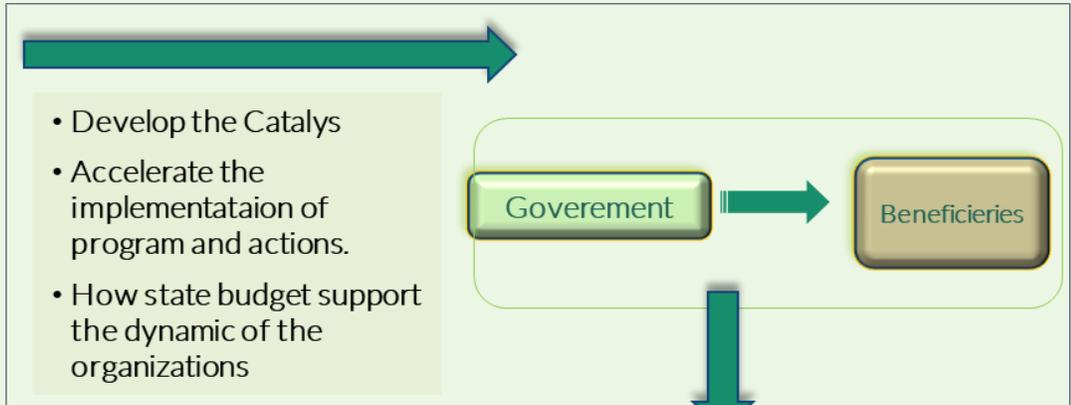
- Sustainable Development Goals
- Convention on Biological Diversity
- Un Convention on Combatting Desertification

United Nation Framework on Convention on Climate Change

Reflected to the Paris Agreement:

- State Party should contribute to reduction of the global emission (2020- 2030)
- Developed countries should assist developin country in achieving the target
- **Article 6.3** The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.

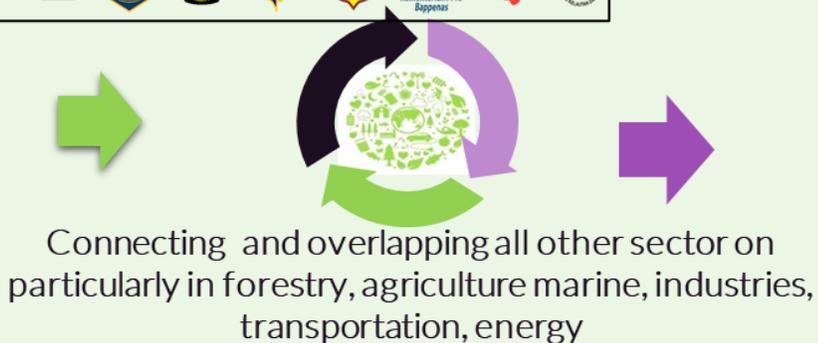
Donor / developing partner



- Flexible financial government agency
- Managing asset and program through the trust fund management



Environments is the *cross cutting issues*



- Technical authority under the line ministries/sector
- Collaboration in the financial management

bridge between development partner/owner of the fund/donor and the beneficiaries.

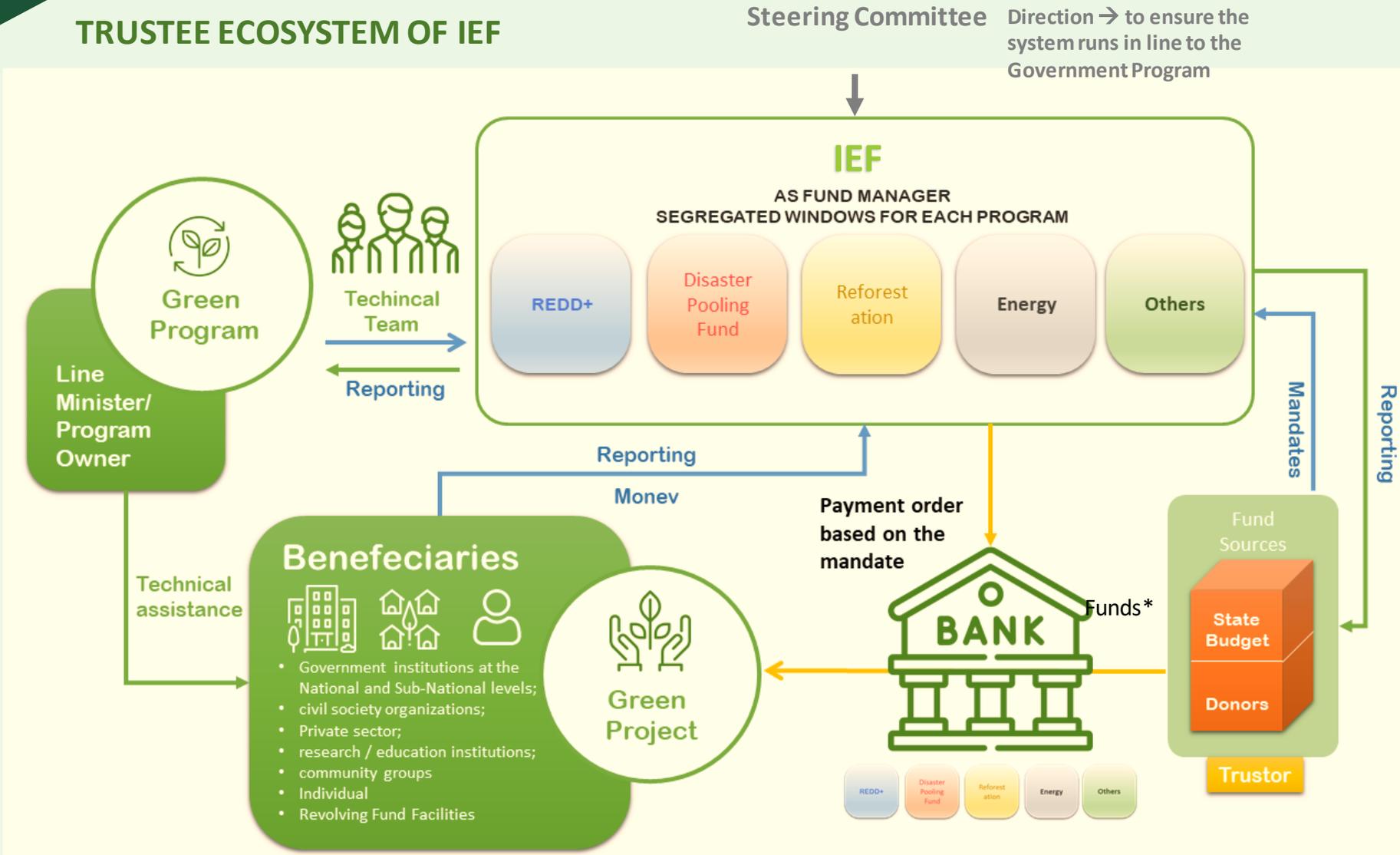


Government has committed to contribute to the emission reduction by involving Non Party Stakeholder (PRIVATE SECTOR, CSO AND COMMUNITY)



How IEF Delivers the Program

TRUSTEE ECOSYSTEM OF IEF



IEF Legal Basis :

- ❑ Governmental Regulation Number 46 of 2017 concerning Environmental Economic Instrument
- ❑ Presidential Regulations No. 77/2018 concerning the Environmental Management Fund
- ❑ Minister of Finance Regulation (MFR) No. 137/2019 concerning the organization and work procedures as amended by MFR No. 24/2021
- ❑ MFR 124/2020 concerning Environmental Management Fund Procedures

1. IEF do an agreement with the Donor to manage program funds in accordance with the line ministries strategic program.
2. IEF and/or donors appoint a bank trustee to administer the funds,
3. IEF instructs the trustee bank to receive and issue funds according to the agreement between IEF and the donor

Program fund is distributed based on the donors mandates (Presidential Regulations No. 77/2018 and Financial Minister Regulation No. 124/2020

Account in Commercial Bank and Trustee Bank Account/Custodian

***) fee as IEF services fee of non-tax states income of Public Services Board**

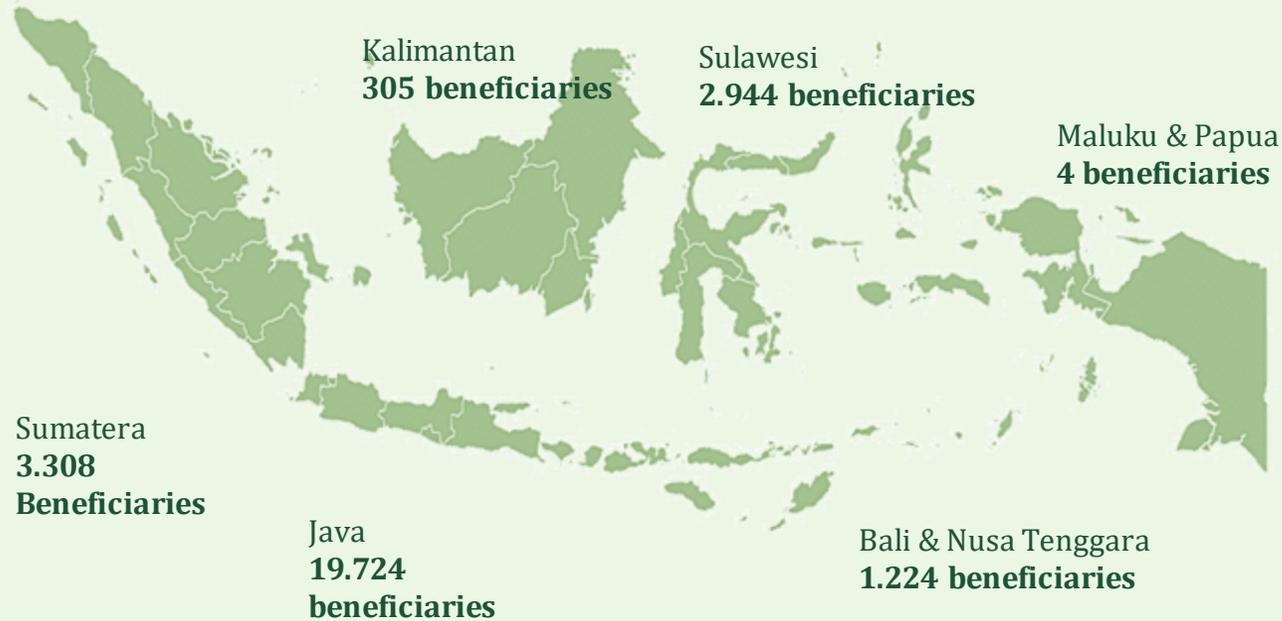


Revolving Rehabilitation Fund

Beneficiaries distribution

TOTAL: 27.509
beneficiaries

PROVINSI
30



OUTCOME: Improve the land and forest cover, reduce emission, and improve the farmer and people welfare

From the total t 15.800.368 rees have been planted, The 4.410.412 trees have been calculated contribute to the absorption of the 371.000 ton CO2e and during their periode will absopr more than 1,38 milion ton CO2e



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THANK YOU

For panel discussion

Idea Of The Blended Finance To Support The Capacity Of The Farmer And Improve Environment Sound Of The Supply Chain.

