

**Memorandum of Understanding**  
**between**  
**The Ministry of Environment and Forestry of**  
**the Republic of Indonesia**  
**and**  
**The Ministry of Infrastructure and the Environment of**  
**the Kingdom of the Netherlands**  
**on**  
**Cooperation in the Field of Climate Change, Waste Management**  
**and Circular Economy**

**PREAMBLE**

The Ministry of Environment and Forestry of the Republic of Indonesia and the Ministry of Infrastructure and the Environment of the Kingdom of The Netherlands (hereinafter individually referred to as “the Signatory” and collectively referred to as “the Signatories”);

**NOTING** that, at the 21st Conference of the Parties (CoP21, Paris, 2015) to the United Nations Framework Convention on Climate Change (UNFCCC), Parties to the UNFCCC reached a landmark agreement to combat climate change and to accelerate and enhance the implementation of Paris Agreement ;

**NOTING** further that the one of the aims of Paris Agreement aims inter alia is to strengthen the ability of countries to deal with the impacts of climate change and -amongst others- to provide enhanced transparency of action and support through a more robust transparency framework;

**NOTING** that a spirit of partnership and pragmatism is needed, to achieve the UN Sustainable Development Goals, in line with its economic, social and environmental challenges of the world at large and national priorities;

**RECOGNIZING** to need to cooperate in enhancing the sustainable management and prevention of waste and creating more sustainable patterns of consumption and production, in view of enabling the transition towards an inclusive circular and low-carbon economy both in Indonesia and the Netherlands;

**RECOGNIZING** that cooperation will be based on the principles of equity, reciprocity and mutual benefit and be pursuant to the applicable laws and regulations in their respective countries;

**AIM** to enter into collaborative arrangements for sharing knowledge, experience, technical assistance and technologies on climate change, waste management and circular economy;

**PURSUANT** to the Paris Agreement, signed in Paris on December 12, 2015;

**PURSUANT** to the Signatories' respective laws, regulations and procedures;

**HAVE DECIDED** as follows:

## **ARTICLE I OBJECTIVES**

1. The Objective of this Memorandum of Understanding (hereinafter referred to as "MoU") is to create a comprehensive co-operation on climate change, waste management and circular economy;
2. The Main Purpose of this MoU is to enhance the capacity of Indonesian stakeholders:
  - a. to create a comprehensive co-operation in the field of monitoring, reporting, and verification (MRV) of greenhouse gas emissions;
  - b. to further resource efficiency and the sustainable management and prevention of produced waste by promoting and implementing Reduce,

Reuse, and Recycle (hereinafter referred to as “3R”) program; with a view to enabling a circular and low-carbon economy.

## **ARTICLE II AREAS OF COOPERATION**

The Areas of Cooperation under this the MoU may include, but are not limited to:

1. Climate change, focusing on monitoring, reporting, and verification (MRV) of greenhouse gas emissions;
2. Waste management;
3. Resource efficiency.

## **ARTICLE III FORMS OF COOPERATION**

The Forms of Cooperation to implement activities as contained in ARTICLE II of this MoU, subject to mutual agreements by the Signatories, may include but are not limited to:

1. Exchange of experiences
2. Pilot projects
3. Exchange of experts/ personnel
4. Conducting training programs
5. Capacity building, including access to educations programmes
6. Introduction/demonstration of innovative technologies and methodologies
7. Organization of meetings, symposia, conferences and workshops
8. Evaluation of MoU Implementation

other forms of cooperation as jointly consented upon by the Signatories.

## **ARTICLE IV FINANCIAL ARRANGEMENTS**

The Signatories will refer that the cooperation set forth in ARTICLE II of this MoU is specified within their own liabilities and financial capabilities. The

Signatories will jointly decide any financial arrangements arising therein subject to the availability of funds;

## **ARTICLE V IMPLEMENTATION**

1. The focal point for the coordination, execution, monitoring and evaluation of the implementation of this MoU are:
  - a. for the Ministry of Environment and Forestry of the Republic of Indonesia, the Secretary General of the Ministry of Environment and Forestry,
  - b. for the Ministry of Infrastructure and the Environment of the Netherlands, the Secretary General of the Ministry of Infrastructure and the Environment.
  
2. Joint activities recognized within the Areas of cooperation will be described in the annexes of this MoU may be implemented through the development of specific arrangements programs or project between institutions and/or organizations approved by of the Signatories. Such arrangement programs or projects should specify, inter-alia, the objectives, financial arrangement, work plan and other details relating to specific undertaking of all participants involved.
  
3. The Signatories may include related authorities, academics and private sectors representatives in relevant meetings as deemed appropriate by either Signatory, amongst others to contribute in a temporary advisory capacity.

## **ARTICLE VI INTELLECTUAL PROPERTY RIGHTS**

1. Each Signatory shall protect, within its territory, Intellectual Property Rights of the other Signatory in accordance with the domestic law in force in their respective countries.

2. In conformity with the laws and regulations in both countries, the Signatories agrees that any intellectual property arising from the implementation of this MoU shall be subject to a separate arrangement between the Signatories.

## **ARTICLE VII CONFIDENTIALITY**

The Signatories will ensure that the data and information mutually provided or shared including the result of joint project activities carried out under this MoU, are not transferred or supplied to a third party without prior written consent of the Signatories.

## **ARTICLE VIII LIMITATION OF PERSONNEL ACTIVITIES**

Any persons engaged in activities related to this MoU will respect political independence, sovereignty, and territorial integrity of the Signatories countries, and will avoid any activities inconsistent with the objectives of this MoU.

## **ARTICLE IX STATUS UNDER INTERNATIONAL LAW**

This MoU does not create any rights or obligations under international law.

## **ARTICLE X SETTLEMENT OF DISPUTES**

Any differences or disputes that may arise between the Signatories relating to any matters under this MoU will be settled amicably through consultation and negotiation between the Signatories.

## **ARTICLE XI AMENDMENT**

This MoU may be reviewed and amended at any time by mutual written consent of the Signatories. The Amendment will come into effect on such date as will be determined by the Signatories.

## ANNEX I

### COOPERATION ON CLIMATE CHANGE

Cooperation between The Netherlands and Indonesia on GHG Monitoring, Reporting, and Verification (MRV) and on improvement of the Indonesian GHG inventory system, including its MRV, by implementing best practices, capacity enhancing and institutional strengthening.

#### 1. Areas of Cooperation

Recognizing the needs for transparency and consistency on the historical and actual development of the emissions of greenhouse gas emissions as a basis for effective mitigation measures, the Areas of Cooperation under this project may include, but are not limited to:

##### a. Capacity Enhancing

- Development of best practices and appropriate implementation of a comprehensive system for the monitoring of GHG emissions in Indonesia, according to IPCC Guidelines and taking into account relevant UNFCCC COP/CMP/CMA Decisions.
- Development and further implementation of a National System for reporting GHG emissions, according to IPCC Guidelines and taking into account relevant UNFCCC COP/CMP/CMA Decisions.
- Independent verification of emission data related to the review of documents under UNFCCC COP/CMP/CMA Decisions.
- Improvement and strengthening the Indonesian GHG inventory system through exchange of experiences on GHG inventory and MRV of mitigation actions.
- Development of country and site-specific emission factors.

By the end of the cooperation the implementing agency will present a coherent set of recommendations for the improvement of the National System for MRV of GHG in Indonesia.

b. Technology Support

- Enrich and strengthen the existing technology system on Indonesian GHG Inventory.
- Innovative technologies in building advanced system to attain robust data activities.
- Technologies to support the development of country and site-specific emission factors.

c. Knowledge and academic collaboration

Collaboration among experts/personnel to disseminate knowledge on the development of GHG Inventory System and MRV.

## 2. Organisation

To achieve the objective as referred to Article 1.2.a, the Signatories designated the Director of GHG Inventory and MRV, Directorate General of Climate Change, Ministry of Environment and Forestry, Republic Indonesia and the Director International Affairs, Directorate General of the Environment and International Affairs, Ministry of Infrastructure and the Environment, the Kingdom of the Netherlands as Implementing Agency (hereinafter referred to as "IA").

The IA is responsible for the execution of the project primarily through developing work plan, monitoring and evaluation, reporting, other strategic decision and coordination. The IA may involve the following partners in the implementation:

### Indonesia

- Representatives of data centers at relevant Ministries/Institution
- Bureau of Statistic
- Representatives of Universities and Research Center (CCROM – SEAP, etc)

### The Netherlands

- TNO
- RIVM (RijksInstituut voor Volksgezondheid en Milieu)
- CBS (Centraal Bureau voor de Statistiek)

Invitation of other partners shall be possible by approval of the IA.

## **3. Development of the Work Plan**

The following envisaged outputs of the cooperation project were defined, based on a first order assessment the current state of play regarding GHG inventory of the Republic of Indonesia:

- a. Optimized institutional arrangements related to the Indonesian GHG inventory system
- b. Stronger involvement of statistical system (BPS and data centers at Ministries) in data collection and verification of GHG emission estimates
- c. Improved usage of (current) IT tooling
- d. Exchange of best practices on crosscutting/overarching issues:
  - Regulatory enforcement of data submissions
  - Emission estimates
  - Reporting issues.

The activities within the cooperation period below where indicated towards achieving these outputs:

### 1.1 In depth analysis of current institutional arrangements



- 1.2 Workshops on possible improvements in institutional arrangements
  - 1.3 Development of improved workflow and timing of annual inventory activities
  - 1.4 Development and implementation of taskforces for selected sectors
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- 2.1 Key source analysis at disaggregated sectoral levels
  - 2.2 Identification of data gaps and recommendations for gap-filling
  - 2.3 Workshops on possible improvements in data collection and verification
  - 2.4 Gap-filling activities, and other improvements (like issues on classifications and confidentiality), by on the job training in the Netherlands
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- 3.1 Analysis of possible improvements of Sign Smart system, e.g., related to alignment of top down and bottom up inventory
  - 3.2 Identification and recommendations on updating of emission factors in the Sign Smart system
  - 3.3 Development of standardized procedures for implementing updates of Sign Smart
  - 3.4 Workshop on possible implementation of best practices in the Indonesian system, including demonstration of Dutch QA/QC methodologies.
  - 3.5 Implementation of further improvements on inventory methods
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- 4.1 Workshops on selected issues as determined in the annual Steering Committee meetings

The annual report will be drafted in the Indonesian and English language. This also holds for essential recommendations, guidelines and the final report from this project.

#### **4. Time Planning**

Each year the designated partners will draft a work plan based on the input from the stakeholders and present it for approval to the IA. This work plan holds a time schedule and defines the milestones for the work. At the end of each year the agreed deliverables will be presented to the IA for approval.

#### **5. Financial arrangements**

- a. The Government of The Kingdom of The Netherlands has expressed the intention to make available a budget of € 500.000 (five hundred thousand euro) for the first two years of the cooperation. It is further the intention of the Netherlands' Government to provide an equal budget for the remaining two years of the duration of the project;
- b. Utilization of the budget will refer to The Government of the Republic of Indonesia regulation on Financing management based on mutual approval.

## ANNEX II

### OUTLINE OF WORK REGARDING COOPERATION ON WASTE

Promotion of cooperation between Indonesia and The Netherlands in the field of waste management, waste prevention and resource efficient, in view of further enhancing the sustainable management of waste and resources and in Indonesia and enabling a circular and low-carbon economy.

#### 1. Areas of Cooperation

The Areas of Cooperation under this project may include, but are not limited to:

a. Business collaboration

Promoting collaboration between private sector organisations in Indonesia and the Netherlands inter alia in the waste, recycling and manufacturing sectors to promote and disseminate innovations, business models and technological solutions.

b. Knowledge and academic collaboration

Promoting collaboration between universities focused on environmental studies, engineering and business development to disseminate knowledge.

c. Technology Transfer

- Sustainable soil and ground water contamination control for existing landfills
- Advanced technologies for methane extraction and conversion to gas (for landfills), waste separation, recycling and composting.
- Assessment of solutions and systems that fit the needs of smaller islands and rural regions
- Technologies in support of the marine litter action plan, foreseen in 2017.

d. Governance

- Support in developing an overarching roadmap for integrated solid waste management, focusing on municipal and industrial waste, by 2025 for the further implementation of Law No. 18/2008 on Solid Waste Management and Law No. 32/2009 on Environmental Protection and Management, and developing the interrelated ambitions towards increased Reuse, Reduce and Recycling, taking into account the sustainable development of the informal sector.
- An analysis of regional capacity needs with regards to waste treatment facilities focused on enhancing waste collection and separation, stimulating recycling and minimizing waste to landfill, while taking in account geographical dispersion, local characteristics and specific material concentration.
- Development and implementation of regulations to support and advance the commitment of stakeholders.

e. Capacity development

- Development of governance approaches with regards to policy coordination and coherency including waste prevention.
- Support current activities for data mapping and database and monitoring development.
- Training, education, and Extended Producer Responsibility (EPR)
- Pilot project for 3R program
- Marine plastic debris management
- Optimisation of resource efficiency through 3R program to enable a circular and low-carbon economy
- Promoting and implementing Extended Producer Responsibility (EPR) by executing pilot project.

## 2. Organization

a. Partners

- Related Ministries (KKP, BPPT, PUPR, Dagri) and local government for 3R program and pilot projects for marine plastic debris management

- Private sector for EPR
- Universities and research centre

b. Coordination

The Signatories to this MoU shall designate the IA which are responsible for the execution of the project primarily through developing work plan, monitoring and evaluation, coordination and decisions on progress and results.

### **3. Development of the Work Plan**

The IA will further specify each of the themes identified above in an annual work plan, containing objective, methodology, focal point and financial means. Approval of the work plan, including the allocation of budget and means, is subject to approval by the IA.

### **4. Time Planning**

Each year the designated partners will draft a work plan based on the input from the stakeholders and present it for approval to the IA. This work plan holds a time schedule and defines the milestones for the work. At the end of each year the agreed deliverables will be presented to the IA for approval.

### **5. Financial Arrangements**

The IA will jointly decide any financial arrangements arising therein subject to the availability of funds.

## ANNEX III

### ABBREVIATIONS

UNFCCC	United Nations Framework Convention on Climate Change
CCROM- SEAP	Center for Climate Risk and Opportunity Management in Southeast Asia and Pacific
COP	Conference of the Parties to the UNFCCC
CMP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol
GHG	Greenhouse Gas
MRV	Monitoring, Reporting, Verification
IPCC	Intergovernmental Panel on Climate Change
CMA	Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement
RIVM	Rijksinstituutvoor Volksgezondheid en Milieu
TNO	Nederlandse           Organisatie           voor           Toegepast- Natuurwetenschappelijk Onderzoek

## ARTICLE XII

### ENTRY INTO EFFECT, DURATION AND TERMINATION

1. This MoU will come into effect on the date of the signing. It shall remain effective for the duration of 4 (four) years and may be extended by the written consent of the Signatories;
2. Either Signatory may terminate this MoU at any time by notifying the other Signatory of its intention to terminate this MoU in writing through diplomatic channels. Termination will be effective 6 (six) months after the date of such notification;
3. Unless decided otherwise by the Signatories, the termination of this MoU will not affect the validity and duration of any on-going arrangement activity and contract made under the MoU until the completion of such arrangement activity and contract.

Signed in Jakarta on the 23<sup>th</sup> November in the year 2016, in duplicate, in the English and Indonesian languages, all texts being equally authentic, in the event of any divergence of interpretation, the English text shall prevail.

**FOR THE MINISTRY OF  
INFRASTRUCTURE AND  
ENVIRONMENT OF THE KINGDOM  
OF THE NETHERLANDS**



**SHARON DIJKSMA**  
**MINISTER**

**FOR THE MINISTRY OF  
ENVIRONMENT AND FORESTRY  
OF THE REPUBLIC OF INDONESIA**



**SITI NURBAYA**  
**MINISTER**