

**MEMORANDUM OF UNDERSTANDING**

**between**

**THE STATE MINISTRY OF ENVIRONMENT OF THE REPUBLIC OF INDONESIA**

**and**

**THE DEPARTMENT OF ENERGY AND CLIMATE CHANGE AND THE DEPARTMENT OF ENVIRONMENT, FOOD AND RURAL AFFAIRS OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND**

**on**

**ENVIRONMENTAL COOPERATION AND THE RESPONSE TO CLIMATE CHANGE**

The State Ministry of Environment of the Republic of Indonesia and the Department of Energy and Climate Change and the Department of Environment, Food and Rural Affairs of the United Kingdom of Great Britain and Northern Ireland, hereafter referred to as the 'Participants',

**Noting** the importance of conservation of environment, improvement of environment and sustainable development for present and future generations,

**Recognising** the need to take action to address climate change and the positive development in relations between Indonesia and the UK on climate change over the past two years, in particular owing to the cooperation and beneficial work already undertaken through the Indonesia-UK Partnership Forum and that there is great potential for further bilateral cooperation in the field of environment and the response to climate change,

**Recognising** the importance of forest conservation in mitigating climate change and noting the role of Indonesia-UK collaboration on strengthening forest governance in Indonesia, including actions undertaken as part of the Memorandum of Understanding on Cooperation to Improve Forest Law Enforcement and Governance and to Combat Illegal Logging and the International Trade in Illegally Logged Timber and Wood Products, dated 18 April 2002,

**Recalling** that Indonesia and the United Kingdom are Parties to the United Nations Framework Convention on Climate Change and Kyoto Protocol.

**Recognising** the value of establishing closer and long-term relations and the importance of strengthening practical cooperation between the Participants in this field and joining efforts for addressing issues that are of mutual interest,

**Taking into account** the Joint Statement by President Susilo Bambang Yudhoyono and Prime Minister Tony Blair made in Jakarta on 30 March 2006.

**DECIDE AS FOLLOWS:**

**Paragraph 1**

**Purpose**

The purpose of this Memorandum of Understanding, hereafter referred to as 'MoU', is to strengthen cooperation in the field of environment and explore opportunities and approaches for mutual cooperation in addressing climate change.

**Paragraph 2**

**Areas for Co-operation**

1. The Participants will, in accordance with the existing laws and regulations in their respective countries, cooperate in broad subject areas, which include but are not limited to:
  - a. Energy efficiency
  - b. Renewable energy
  - c. Clean energy technologies
  - d. Deforestation
  - e. Adaptation
  - f. The use of the flexible mechanisms, in particular the Clean Development Mechanism (CDM)
  - g. Capacity building
  - h. Technology transfer
  - i. Public-private Partnerships
  - j. Sustainable transportation
  
2. The Participants have identified the following specific topics as a high priority
  - a. Reducing Emissions from Deforestation and Degradation of Forests in Developing Countries (REDD)

- i. Identify opportunities for developing activities on land use, land-use change and forestry (LULUCF) and implementing demonstration activities under REDD as set out in UNFCCC Decision 3/CP13, and support Indonesia in further developing methodologies and strategies for avoided deforestation and degradation, while aiming to maximise co-benefits including biodiversity and reduce poverty, recognising how sub-national approaches could be scaled up to form a long term sustainable national plan for REDD
  - ii. Promote exchange of views between the private sector and government in UK and Indonesia, in order to recognise how long-term financing can be used to reward all aspects of the forest transition curve.
- b. Promoting sustainable management of palm oil, including through engagement with the Round Table on Sustainable Palm Oil (RSPO) and other relevant stakeholders.
- c. Exploring greater participation in the Global Bio-energy Partnership (GBEP), particularly work on sustainability within this voluntary partnership.
- d. Support to strengthen national policy and capacity for Disaster Risk Management through discussion of risk sharing and mechanisms such as insurance;
- e. Provision of technical assistance on climate risks and adaptation strategies with a view to develop a project on local adaptation strategies;
- f. Exploring opportunities for cooperation on development, deployment, diffusion, and transfer of sustainable low carbon technologies, particularly on renewable energy and energy efficiency technologies;
- g. Enhancing capacity building and engagement of all key stakeholders, including local government, civil society and business; focusing on awareness raising, knowledge building and best practice dissemination; compatible with strategic directions developed under the National Climate Change Council, Republic of Indonesia.
- h. Continuing bilateral co-operation on studying of Carbon Capture and Storage (CCS) potential for Indonesia
- i. Initiating the establishment of sustainable transportation policies, integrated with the other related policies.
- j. The UK and Indonesian Governments will continue to encourage the development of business opportunities in low carbon solutions as part of the transition to low carbon economies.

**Paragraph 3**  
**Establishment of Working Group**

1. The Participants will establish a Working Group for consultation within the provisions of this MoU.
2. The Annex is an integral part of this MoU.

**Paragraph 4**  
**Settlement of Disputes**

Any dispute concerning the interpretation of this MoU will be settled by friendly consultation between the Participants.

**Paragraph 5**  
**Amendment**

This MoU can be reviewed or amended at any time by mutual consent of the Participants. Such amendments will come into operation on such date as may be determined by the Participants and will form an integral part of this MoU.

**Paragraph 6**  
**Coming into Operation , Duration and Termination**

1. This MoU will come into operation on the date of signature.
2. This MoU will continue in operation for a period of 5 (five) years and may be extended by mutual consent unless terminated by either Participant, at any time, by giving 6 (six) months written notice prior to the date of the intended termination to the other Participant.
3. The termination of this MoU will not affect the validity and duration of any on-going programs and projects made under this MoU until the completion of such programs and projects unless the Participants decide otherwise.

**Signed** in duplicate at ..... on .....

For the State Ministry of Environment of the  
Republic of Indonesia

Rachmat Witoelar, Minister of Environment

For the Department of Energy and Climate  
Change and the Department for  
Environment Food and Rural Affairs of the  
United Kingdom of Great Britain and  
Northern Ireland

Ed Milliband, Secretary of State

## **ANNEX**

### **WORKING GROUP ON ENVIRONMENT AND CLIMATE CHANGE (WGECC)**

#### **Paragraph 1**

##### **Objectives**

1. The aim of the WGECC will be to further cooperate and share knowledge between Indonesia and the UK on environment and the response to climate change. The WGECC will provide a framework for consultation and cooperation between the Participants on environment and the response to climate change, and enable progress to be made on key issues including:
  - a. Conduct a strategic dialogue on the Post-2012 climate change agenda, taking into account the Bali Action Plan<sup>1</sup> and other related international processes;
  - b. Investment frameworks to promote renewable energy, energy efficiency, sustainable biofuel and other necessary investments
  - c. Promote and consider outcomes of practical cooperation in key areas under this MoU.
2. The Participants consider that it is important that the WGECC sets itself objectives within specific timeframes and describes the outcomes it hopes to achieve during the lifetime of the WGECC. Progress against these objectives will be reviewed annually.

#### **Paragraph 2**

##### **Composition**

1. Each Participant will determine the size and composition of its representatives for each meeting taking into account the choice of topics for discussion.
2. The WGECC will be co-chaired by the Assistant Minister for Global Environmental Affairs and International Cooperation, Ministry of Environment, Republic of Indonesia and the Director, International Climate Change, Department of Energy and Climate Change, United Kingdom. The co-chair for each Participant will be designated to be responsible for the coordination of the implementation of this MoU and will in particular coordinate with all relevant institutions in their respective countries.

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<sup>1</sup> Decision 1/CP.13 of The Conference of the Parties under the UNFCCC

**Paragraph 3**  
**Areas for discussion**

The areas of discussion will be in accordance with paragraph 2 of the MoU. Specific areas for discussion will be determined in advance of each meeting.

**Paragraph 4**  
**Meetings**

WGECC will meet annually alternately in Indonesia and the United Kingdom. The annual meeting should where possible be associated with other events. The Participants will decide on topics, timing, and venue before each meeting takes place.

**Paragraph 5**  
**Expenses**

The host Participant will cover all expenses related to hosting and organising meetings, including provision of the meeting venue and facilities, for the smooth progress of the meeting.

**Paragraph 6**  
**Commencement of the WGECC**

WGECC will commence its work upon the coming into effect of the present MoU and will remain at work until the termination of the MoU.