



Carbon pricing in Indonesia



Market Engagement Event

28 May 2025

Agenda

Audience poll

Audience poll + 5 min break

01

14:00-14:15

Opening & Welcoming remarks

02

14:15-14.25

Introduction to UK PACT

03

14:30-14:45

Indonesia UK PACT - Call for Proposals

04

14:50-15:15

Application process and requirements

05

15:15-15:55

Q&A

06

15:55-16:00

Wrap-up and next steps

01

Welcoming remarks

**Felicity Le Quesne – Climate
Policy & Finance Team Lead**
British Embassy Jakarta

02

Introduction to UK PACT

**Aysha Doidge - UK PACT Indonesia
and Vietnam Country Lead**

*Foreign, Commonwealth and
Development Office, UK Government*

UK PACT: Partnering for Accelerated Climate Transitions

- UK PACT is a flagship programme under the UK's **International Climate Finance (ICF) portfolio**. The programme is jointly governed and funded by the **Foreign, Commonwealth and Development Office (FCDO)** and the **Department for Energy Security and Net Zero (DESNZ)**.
- Supporting **achievement of Nationally Determined Contributions (NDCs)** and the long-term goal of the 2015 Paris Agreement to **limit dangerous climate change**
- **Demand-driven**, adjusting key focus areas based on partner countries' needs and sectoral priorities

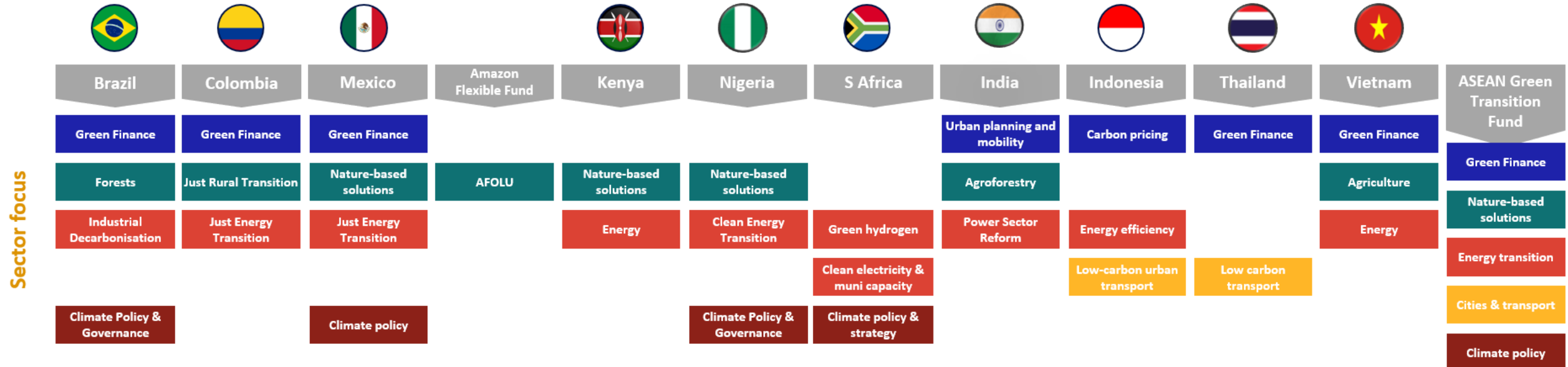
We will achieve this by:

- **Working with partner** countries to improve the capacity and capability of key institutions to reduce emissions and foster inclusive economic growth
- Addressing **challenges** to sustainable development and driving greater climate ambition.



UK PACT Global Programme

Where UK PACT builds partnerships



How UK PACT build partnerships



UK PACT in Indonesia

The programme is committed to advancing Indonesia's efforts in low-carbon transport, energy efficiency, and carbon pricing. With a new multi-year funding allocation, Indonesia-UK PACT will continue to work closely with government stakeholders to support these key sectors and contribute to the country's sustainable development goals.

- The first carbon pricing project under the Indonesia-UK PACT programme is set to conclude on 30 September 2025, with plans to launch new projects in this sector as part of Phase 2 in the beginning of October 2025.
- Phase 1 of the Indonesia-UK PACT programme for energy efficiency (EE) and low-carbon transport (LCT) concluded on 31 March 2025. Phase 2 in these sectors began on 1 April 2025, with new projects now underway to continue supporting Indonesia's transition to a low-carbon development.
- The funds aim to advance Indonesia's sustainable development goals by working closely with government stakeholders to support these key sectors.
- It will also strengthen carbon pricing policy frameworks, support sectoral readiness, and promote the adoption of low-carbon technologies through enhanced regulatory environments and multi-stakeholder engagement.

For more information, please visit the UK PACT Indonesia website:

<https://www.ukpact.co.uk/country-programme/indonesia>

Audience poll

Zoom

03

Indonesia UK PACT Call for Proposals



Ida Suriany – Senior Low Carbon Policy and Finance Adviser
British Embassy Jakarta

Yoel Priatama – UK PACT Programme Manager
British Embassy Jakarta

Carbon pricing

- Indonesia is advancing carbon pricing as a core climate policy, anchored by Presidential Regulation No. 98/2021 and an emissions trading system (ETS) in the power sector. This supports its NDC target to reduce emissions by 31.89% by 2030 (or 43.20% with international support) and is central to the Just Energy Transition Partnership (JETP).
- The UK brings extensive experience with ETS and voluntary carbon markets, offering valuable policy and financial expertise for collaboration.
- Building on prior UK support through the Partnership for Market Implementation (PMI), UK PACT Indonesia strengthens carbon pricing readiness with technical assistance, capacity building, regulatory support, and multi-stakeholder engagement to develop a flexible carbon market ecosystem.
- Key challenges include developing adaptable regulatory frameworks, strengthening institutional capacity and governance, improving market infrastructure like registries and MRV systems, and encouraging private sector engagement aligned with Indonesia's climate and development goals.

Indonesia-UK PACT support priorities:

- Enhancing regulatory frameworks and sectoral policies for carbon pricing implementation, including carbon border adjustment mechanisms.
- Building carbon market infrastructure, improving transparency and integrity, and fostering international linkages.
- Facilitating stakeholder engagement and technical capacity building across government and private sectors.
- Supporting innovative, coherent interventions that accelerate Indonesia's transition to a sustainable, low-carbon economy through robust carbon pricing.

The upcoming Call for Proposals – Carbon pricing

- This call for proposals seeks to respond to requests for **technical assistance and capacity building** in carbon pricing and carbon markets in Indonesia, and to support close collaboration with the Ministry of Environment (MoE) as well as other relevant government stakeholders.
- Projects will be selected through a **one-stage open and competitive call**.
- Projects are expected **to start in October 2025 and end in December 2026**.
- Expect any projects to be designed **based on demand and consultation with stakeholders** in the carbon pricing and carbon market sector.
- Proposals are encouraged to include project leadership based in Indonesia, close to key stakeholders, and demonstrate strong contextual knowledge and networks within their team.
- Looking for partners with the ability to be flexible and adapt to deliver against additional demands that may come over the course of a project of up to 15 months.
- For-profit organisations and UN organisation can apply, but all projects must be delivered on **a not-for-profit** basis.

Counterparts and project teams

Counterparts (recipients of project outputs)

- The **Indonesia's Ministry of Environment**, along with other ministries identified later on.

Types of organisations eligible to apply for UK PACT grants

- Academic institutions
- Private sector organisations (consultancies etc.)
- Industry or professional associations
- NGOs
- Think tanks
- UN organisations

Government departments and/or agencies are not eligible to apply for UK PACT grant funding

We are asking for proposals across 2 categories of support

1

Strengthening the Regulatory Framework for Carbon Pricing

2

Enhancing Carbon Market Strategy and Infrastructure

UK PACT will manage the projects as a coherent portfolio in carbon pricing. Each project will be expected, where relevant, to collaborate and synergise with each other with the objective of working towards the same sectoral portfolio outcomes.

Proposed areas of support

Theme 1

Strengthening the Regulatory Framework for Carbon Pricing

This theme supports developing and aligning regulations and plans for carbon pricing—focusing on market-based instruments like ETS and offset mechanisms, including voluntary carbon markets—while remaining adaptable to Indonesia’s evolving policy landscape through activities such as drafting regulations, aligning sectoral policies, providing technical support, capacity building, and thematic workshops.

Areas of work should include:

- Support for national and ministerial regulations on carbon pricing
- Capacity building on carbon pricing regulation
- Technical studies on alignment of carbon pricing with economy-wide targets and strategies
- Support for the development of carbon pricing implementation roadmaps in NDC sectors for technical ministries.
- Capacity building on roadmap development

Proposed areas of support

Theme 2

Enhancing Carbon Market Strategy and Infrastructure

This theme supports the development and improvement of systems and processes that underpin carbon market operations. Activities may include strengthening registries and MRV systems, supporting the integration of high-integrity principles into policy and regulations, linking carbon markets strategically and operationally to Indonesia's wider climate policy including the NDC, and analysing options for international linkages of markets or emissions trading schemes. Benchmarking and learning from international

Areas of work should include:

- Technical assistance to develop and strengthen carbon market ecosystem
- Support multistakeholder dialogue (government, companies, association, intermediaries and investor)
- Support to improve SRN infrastructure and SPE quality
- Technical study on linking with international ETS
- Methodology for setting and implementing ETS from various sectors
- Benchmarking international ETS in the identified sectors.

How to respond to the priority areas

How many themes can I apply for?

- Applicants are expected to fully address one theme within one proposal
- An organisation can apply for more than either one or both area
- Each proposal will be assessed independently

Audience poll

Zoom

5 min break

5 min break

04

Application process and requirements



Andi A. F. Poetri

*Palladium – UK PACT Indonesia Fund
Manager*

What's required?

Eligibility requirements

Organisation eligibility



- ✓ Think tanks, consultancies (private sector firms), academic institutions, NGOs, UN organisations, private sectors, professional associations or similar organisations that have the knowledge, skills and experience to deliver Technical Assistance projects relating to one of the priority sectors outlined
- ✓ Experience of delivering similar projects
- ✓ Consortia of national and international organisations encouraged.
- ✓ Government agencies and/or departments are not eligible to apply either as a lead organisation, or as a partner organisation within a consortium

Project eligibility



- ✓ Strategic fit with the UK PACT priorities outlined
- ✓ **Demonstrate clear pathways and plan to engage intended counterparts in Indonesia**
- ✓ Total funding of up to a maximum of £450,000 for Theme 1 and £650,000 for Theme 2, allocated for over 15 months
- ✓ Incorporating opportunities to advance GEDSI

Key Definitions

Inputs & Activities = things that will be used to implement the project (e.g., trainings, research, technical expertise, stakeholder engagement). These are the activities that must be listed in your Project Workplan.

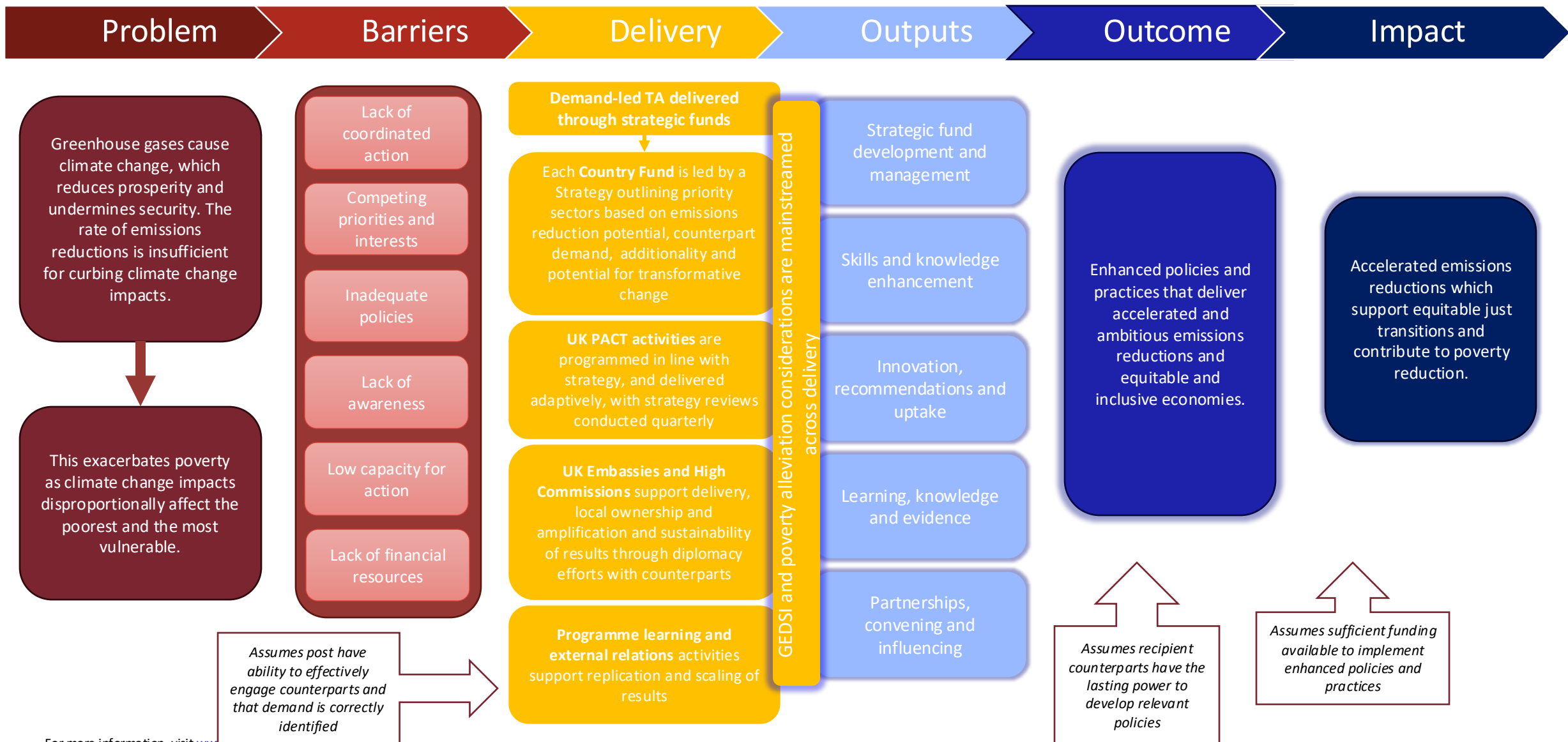
Outputs = the deliverable or product achieved as a result of the inputs. These are within the direct control of an intervention and are normally provided to the project's key counterparts or other project stakeholders.

Intermediate Outcomes = an interim indication of initial uptake by programme stakeholders. The logic of the intermediate outcome is that programme-supported outputs should be *adopted* or taken up by the stakeholders that work most directly with the programme. These stakeholders are then responsible for using or implementing those outputs to achieve their intended purpose.

Outcomes = are achieved when an output has been firmly adopted, implemented and has shown to result in a significant change in behaviour. If the programme's adopted outputs are effectively implemented by its counterpart stakeholders, we articulate this **outcome** as *enhanced, sustained, and inclusive action on emissions reduction*.

GEDSI Contribution = UK PACT's ambitions for **gender equity, disability and social inclusion (GEDSI)** are to go beyond minimum compliance. Project outputs must *do no harm*, should *empower* gender equality and social inclusion, and are strongly encouraged to support GEDSI *transformation wherever possible*.

UK PACT Theory of Change



UK PACT Selection criteria

Selection criteria will be divided into grant project design and workplan, project management and budget

There will be a strong emphasis on:

- The extent to which projects respond to the Terms of Reference outlined
- The degree to which projects fit within the overall UK PACT Theory of Change
- The extent to which GEDSI have been given priority within the project plan and outputs
- The plans for managing the project, including confidence that evidence of outputs achieved and progress reporting will be delivered on schedule
- Ensuring value for money

UK PACT projects can be demanding due to the requirement for evidence of all outputs achieved. Project management, results measurement and gender equality and social inclusion are all priorities for UK PACT and we encourage applicants to plan and budget for these tasks adequately.

Results monitoring and case studies

- Proposals will include the submission of a **Theory of Change** describing proposed project outputs and their expected impact
- The outputs proposed by projects should be aligned with the 4 output types in the UK PACT Theory of Change (ToC)
- Projects will be encouraged to identify opportunities for developing case studies
- Further guidance on UK PACT's programme level MEL framework is available in our **Applicant Handbook**

UK PACT Outputs

Skills enhanced and capabilities built

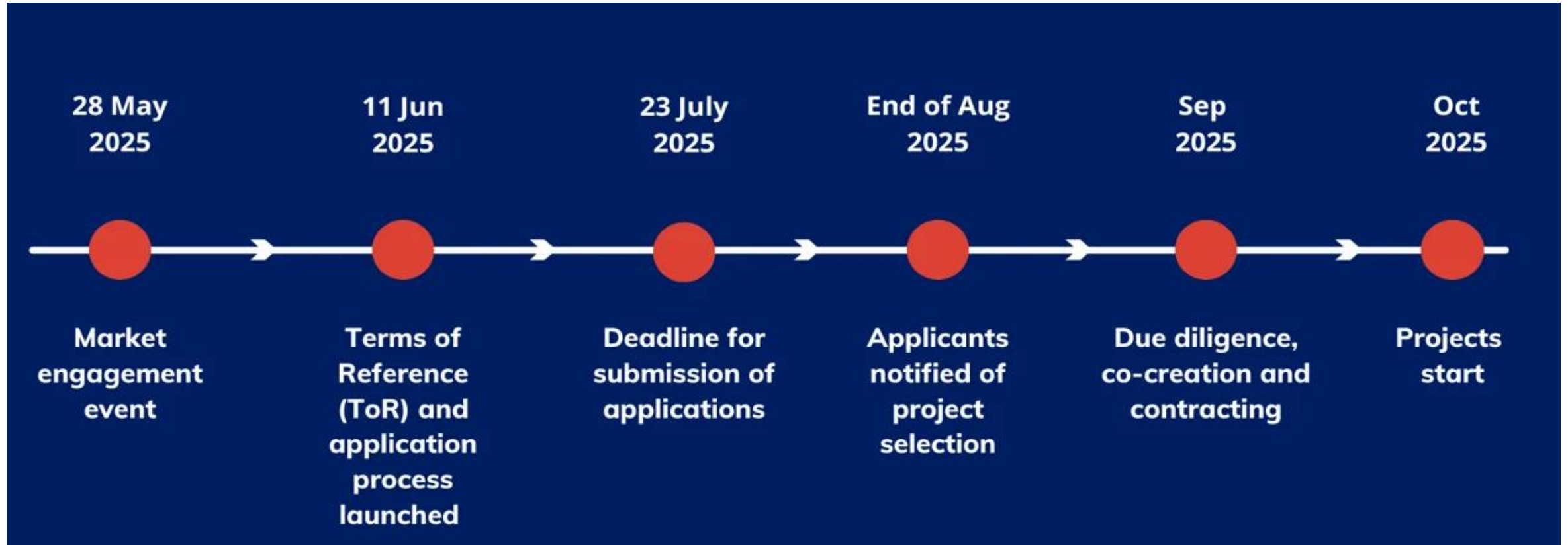
Innovative modes, including policy, accelerated and/or piloted

Knowledge, evidence and learning generated/
shared

Partnerships and networks established and
strengthened

Process and estimated timeline

One stage process for selection of projects



Preparing a proposal

UK PACT Proposal Template

UK PACT Budget and Workplan Template

UK PACT Project Theory of Change Template

UK PACT Project Risk & Issue Register Template

All available on the Indonesia page on the UK PACT website:

www.ukpact.co.uk/country-fund/Indonesia



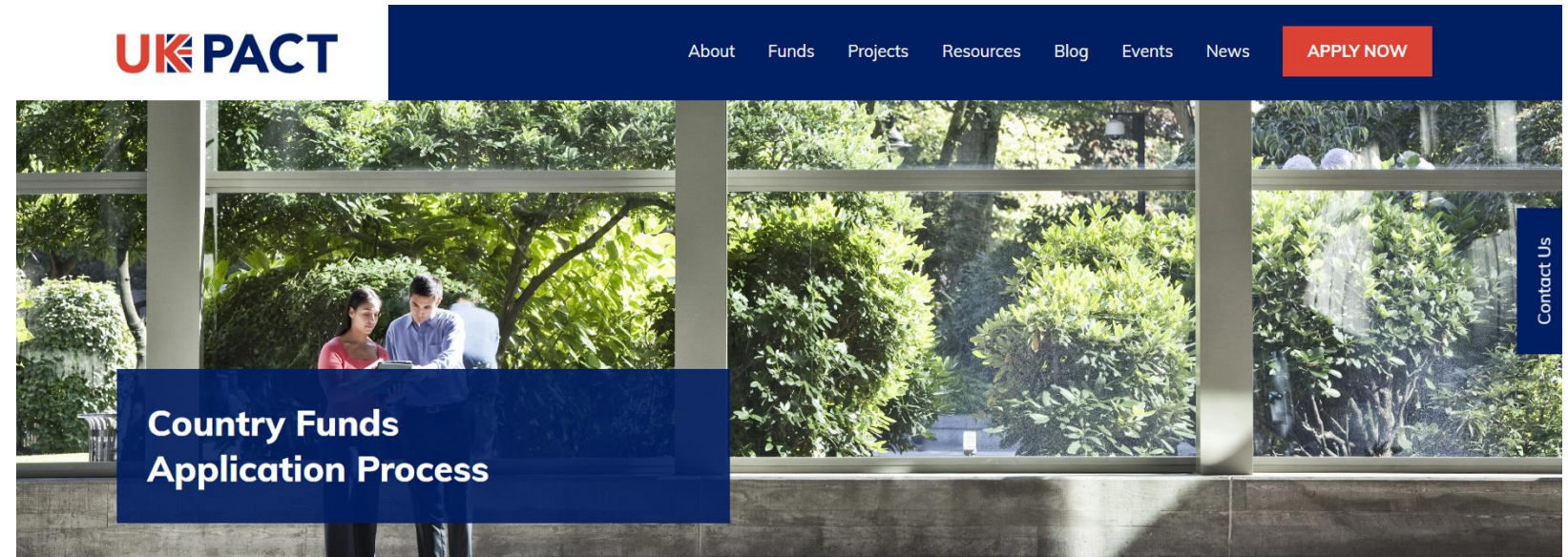
UK PACT Country Funds Full Proposal Form – 2024

| Full Proposal checklist | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|------------------------|--------------------|----------|-------|-------------------------|------------------------------|-----------------------------|---------------|
| Will you be able to set up a bank account that that enables you to receive GBP (£) prior to receiving UK PACT funding? | | | | | | | | | | | | | YES <input type="checkbox"/> | NO <input type="checkbox"/> | |
| Project Title: <input type="text"/> | | | | | | | | | | | | | | | |
| Have you | Please note, payment will be made in arrears | | | | | | | | | | | | | | |
| Have you | | | | | | | | | | | | | | | |
| Have you | | | | | | | | | | | | | | | |
| separate | | | | | | | | | | | | | | | |
| Have you | | | | | | | | | | | | | | | |
| | Project output | Output Title | Cost Categories | Name of personnel | Country | Organisation | Sub-category | Output Total | | | | Q3 Financial year 24/25 | | | |
| | Should directly reflect Proposal and ToC Form. Every "Other" should be added to the "Other" category. | Take directly from Proposal and ToC Form. Every "Other" should be added to the "Other" category. | Please refer to the "budget guidance" tab and UK PACT Applicant Handbook when filling in the template. Add extra rows as necessary. Every "Other" expense should be justified in the "Other" category. | Only required when you have selected "Personnel" in Column E. Should match personnel listed in the "Other" category. | For International Travel, state origin and destination. For all other expenses, state the project partner or subcontractor (UK PACT's name). | Please indicate whether the cost relates to the lead organisation, or to a consortium partner or subcontractor (UK PACT's name). | For "personnel", select from drop-down menu. For "Other", specify cost type. | Cost per unit (£/hour) | No. people / hours | No. days | Total | Oct '24 | Nov '24 | Dec '24 | Q3 Total Cost |
| UK PACT Guidance Note - completing and maintaining a Risk and Issue Register | | | | | | | | | | | | | | | |
| Please read all guidance before completing the Risk Register | | | | | | | | | | | | | | | |
| <p>Purpose</p> <p>The purpose of this risk register is to identify and document potential risks related to the project activities that are part of your UK PACT project. This should therefore cover risks related to downstream implementing partners or subcontractors to be engaged to deliver the work. Well considered risk management is a key part of delivering UK PACT projects and forms part of the selection criteria for grant projects across the programme. We encourage an open and transparent approach to discussing and managing risks across UK PACT. You will not be penalised for recognising there are risks associated with your project and accurately rating those risks, so long as there is appropriate plans to manage the risks in question, in line with UK PACT's risk appetite.</p> <p>Theory of Change template – for completion</p> <p>Outputs → Intermediate Outcomes → Outcomes</p> <p>Impact</p> <p>Reduced emissions supported by UK PACT</p> <p>Transformational change in countries supported by UK PACT</p> <p>Gender equality and social inclusion empowered and enhanced, with reduced impacts of climate change on the vulnerable</p> | | | | | | | | | | | | | | | |
| Cover | <p>Applicants are asked to consider and document key risk factors that may affect project outcomes. We expect that a range of risks against a specific category if not applicable.</p> <p>Once risks are identified, map out the measures that:</p> <p>Step 1: Risk Identification</p> <p>How to identify risks</p> <p>Clear risk descriptions that are as specific as possible</p> <p>We aim to use consistent framing of risks so it is clear outlined in the risk description. Alternatively, this can be outlined in the Risk & Issue Register tab, we have outlined an example below.</p> <p>Top tips for preparing your risk register</p> <p>> Guidance Risk Appetite</p> | | | | | | | | | | | | | | |

Country Funds Opportunities portal

All applications are to be made through the Country Funds opportunities portal

Interested organisations are already to register on the portal in advance of the call launch



The UK PACT Country Funds use an open, competitive grant facility to award funding to applicants who will deliver projects that enable, incentivise, and empower key stakeholders to take action on emissions reductions. The priorities for each country

List of reference documents

All relevant documents and templates will be included in the Country Funds Opportunities Portal when you apply

- Proposal, budget and workplan, project theory of change and risk & issues register [template]
- Terms of reference
- Applicant Handbook

Other useful references:

- Implementing Partner Handbook
- GEDSI Ambition Statement
- Country Funds FAQs

05

Q & A



06

Wrap-up and next steps



Next steps

Reminder on upcoming timeframes for application

- Presentation will be published on UK PACT website in coming days (www.ukpact.co.uk)
- Call for Proposals will be launched on 30 October 2024 at the [Indonesia-UK PACT webpage](#)
- Survey to be sent out to participants to gather additional feedback on webinar and call for proposals
- For any technical issues when registering on the application portal please contact: Indonesia@ukpact.co.uk



THANK
YOU



Stay in touch:



www.ukpact.co.uk



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