



SUBMISSION BY THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

Pursuant to COP 25 Decision 11/CP.25 Paragraph 10 and CMA.2 Decision 5/CMA.2 Paragraph 10 during Madrid Climate Change Conference in December 2019, the Government of the Republic of Indonesia hereby submits its views on the operational definition of climate finance, as follows:

1. Indonesia expresses its appreciation to SCF for its work in preparing the 2020 Biennial Assessment and Overview of Climate Finance Flows. Indonesia also takes note of the definition of climate finance on the 2014 Biennial Assessment and Overview of Climate Finance Flows.
2. Indonesia understands that given different circumstances, Parties may have diverse definitions of climate finance. As defining climate finance seems difficult and irreconcilable, Indonesia is of the view that Parties should instead refer to the basic principles of climate finance as set forth particularly in Article 2.1c of the Paris Agreement and also underscores the importance of Article 9.1 Paris Agreement in enhancing the implementation of the Convention.
3. Indonesia views that transparency on the availability and certainty of climate finance, including those which are resourced from the public and Non-Party Stakeholders (NPS), should be enhanced to ensure that developed countries' obligation to provide new, additional, adequate, and predictable finance to developing country Parties under the Paris Agreement and the Convention is observed.
4. Indonesia calls upon developed country Parties to raise commitment on the financing of adaptation at par with mitigation financing, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse impacts of climate change and have significant capacity constraints.
5. Recognizing the interlinkage between 2030 Agenda on Sustainable Development Goals (SDGs) and the Paris Agreement, for transparency and efficient and effective implementation, Indonesia perceives the need for alignment between financing for climate actions and SDGs by which the overview and progress of each should be

available and accessible. It is also important to differentiate between climate finance and development finance.

6. Indonesia has supported operational climate finance through the development and implementation of Climate Budget Tagging (CBT) since 2016. As the country's best practice, CBT identifies Indonesia's public spending on climate actions. It has been integrated into the National and Sub-National Planning and Budgeting System. CBT sets out definitions and criteria for marking climate action expenditures tagging on core activities, which aimed to reduce GHG emissions and increase resilience and supporting activities, which include policy development, research and development, and enabling conditions to support climate actions. CBT is carried out at the output level to provide precise information on the indicators of attainment, the magnitude and the allocation.
