

SUBMISSION BY INDONESIA

Framework for Various Approaches (FVA) and New Market Mechanism (NMM)

The Government of the Republic of Indonesia welcomes the opportunity to provide its views on Framework on Various Approaches (FVA) and New Market Mechanism (NMM) for post-Doha processes under the UNFCCC. It is our hope that Parties will come to an agreement as to the implementation of both concepts for climate change mitigation purposes.

Indonesia would like to underline the value of clear definition as well as objectives and basic understandings pertaining to the operationalization of FVA and NMM concepts.

Views of Indonesia

I. Framework on Various Approaches (FVA)

In regards to the Framework on Various Approaches (FVA), Indonesia underlines the importance of the following elements:

A. Definition and Purpose

Agreement on FVA definition is of utmost important and urgency. Indonesia views FVA as a framework which is operated on market and/or non-market approach that produces verified emissions reduction based on acceptable standard (e.g. ISO 14064 or similar) that may be used for international offsetting purposes.

As FVA's purpose is to promote permanence and reliable mitigation actions that has a clear co-benefit for the host countries, it may cover market and non-market activities such as renewable energy development, energy efficiencies, REDD+, and any other nationally-appropriate emission reduction programs that produces verified emissions reduction.

B. Baseline Setting and Emissions Reduction Usage

Every FVA program or project must have a clear baseline. The baseline must be developed in scientifically acceptable way and respects different circumstances and domestic conditions of participating country(ies).

Emissions reduction which are produced under FVA should be internationally transferable and usable for domestic offsetting purposes as a part of efforts to fulfil the international emissions reduction commitment.

The transferred and used/retired emissions reduction should be recorded in participating country(ies) registry to avoid double counting. In case of international transfer, it should be recorded in the International Transaction Log under UNFCCC.

II. **New Market Mechanism (NMM)**

In regards to the New Market Mechanism (NMM), Indonesia believes that the technical elements applicable to FVA may also applicable to NMM. The spirit that should be reflected in the forthcoming UNFCCC decisions in NMM is development of a robust mechanism yet allows broad participation of the Parties. Linking of mechanisms could be considered as one of the potential means.