SUBMISSION BY THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

Pursuant to the issue negotiated under Contact Groups COP 8 (c): Report of the GCF to the COP and guidance to the GCF and CMA 7(b): Guidance to the GCF at COP 25 UNFCCC, the Government of the Republic of Indonesia herewith submits views on elements to be taken into account in developing guideline for the Green Climate Fund, as follows:

1. Indonesia urges the GCF to increase speed, predictability, and transparency of accreditation & proposal approval processes
    - As outlined in IEU Review on GCF, project approval by board as well as post-board approval process (i.e. GCF legal requirement, policy clearance) still require a very long time; thus, very contradictory to the sense of urgency and speed of action required for climate change action.
    - Previously, GCF has launched Simplified Approval Process (SAP); however, the current average approval time for SAP is very similar with regular channel.
    - In order to improve speed, it is suggested that GCF resolves several issues, such as policy gaps and overlaps, the retroactive application of policies, and lack of internal coordination within the Secretariat.
    - To improve predictability and transparency, it is suggested that GCF introduces a public tracking system that would allow entities to check the status of their proposal / accreditation process.

2. Indonesia believes that more national entities should be accredited by the GCF to allow more direct access for developing countries that better address the country needs.
    - Accredited entities are important part of the GCF business model and essential element to access the GCF resources. However, currently, accredited entities mainly consist of UN agencies, multilateral development banks, and international investment banks, while national and subnational entities are still in the minority.
    - This condition is allegedly caused by the heavy requirement for accreditation process, which could only be fulfilled by "well-established" entities.
    - To increase the number of direct access entities, it is advised that GCF considers the limited capacity of national/subnational entities in accreditation process, as well as provides guidance on how to optimize the use of its readiness program to assists more national/subnational entities to be accredited by the GCF.
    - One of the suggested capacity building programs could take form as an internship program at the GCF for national / subnational entities employee, in order to help them better understand the processes that occur within the GCF

3. Indonesia suggests that GCF need to ensure that the varieties of structures and capacities of National Designated Authorities (NDAs) and Accredited Entities (AEs) are taken into account while articulating policies, standards and guidelines. Clear terms of reference that delineate roles and responsibilities.
   - GCF business model relies heavily on the role of NDAs and AEs, while structures and capacities of these NDAs and AEs are vary significantly across countries.
   - The implications of this condition for the entire GCF eco-system should be taken on board while articulating policies, standards, and guidelines.

4. Indonesia encourages GCF to pay special attention to small and micro-scale projects and increase the involvement of local *Civil Society Organization (CSO).*
   - Currently, CSO’s engagement at country and at the global level is limited, and there is almost no mechanism to ensure that the voices of indigenous people and other vulnerable communities are heard sufficiently.
   - Increased CSO involvement could bridge this condition and potentially foster project ownership for local community.

5. Indonesia encourage GCF to continuously enhance complementarity and synergy with other existing financial mechanisms / operating entities / financial institutions.
   - Currently, the GCF portfolio is not significantly different from that of other multilateral funds (skewed to mitigation, public sector, grants and loans as main instrument, and mostly implemented by international development agents). This condition is allegedly caused by utilization of a reactive / supply-driven approach within the current business model.
   - It is advised for the GCF to invest in potential projects with risks that other funds and institutions are not able or willing to take which handled by direct access (e.g. micro renewable energy projects in remote area that does not deliver a high financial return or are based in politically unstable countries).
   - It is further suggested that GCF earmark funds specific for this kind of investment, which in turn could potentially create added value for the GCF compared to other financial institutions.

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