

CAPACITY DEVELOPMENT PLAN FOR SCALING SUSTAINABLE CONSU PRODUCTION PROJECT IN INDONESIA

July 2023



FEDERALLY OWNED INTERPRISE, GIZ SUPPORTS THE GERMAN GOVERNMENT IN ACHIEVING ITS OBJECTIVES IN THE FIELD OF INTERNATIONAL COOPERATION FOR SUSTAINABLE DEVELOPMENT

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List of Abbreviations

APBD : Anggaran Pembangunan dan Belanja Daerah or Sub-National Development

Budget (Provincial and City/Regency levels)

APBN : Anggaran Pembangunan dan Belanja Negara or National Development

Budget

Bappeda : Badan Perencanaan Pembangunan Daerah or Sub-National Development

Planning Agency (Provincial and City/Regency levels)

Bappenas : Badan Perencanaan Pembangunan Nasional or National Development

Planning Agency

BSN : Badan Standardisasi National or National Standardization Agency

EL : Ecolabelling

GIZ : The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

GLI : Green Label Indonesia

GPCI : Green Product Council Indonesia

GPP : Green Public Procurement

KAN : Komite Akreditasi Nasional or National Accreditation CommitteeKADIN : Kamar Dagang Indonesia or Indonesia Chamber of Commerce

ISO : International Organization for Standardization

LEI : Lembaga Ekolabel Indonesia or Indonesia Ecolabelling Institute

LKPP : Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah or National

Agency for Public Procurement Policy

LVE : Lembaga Verifikasi Ekolabel or Ecolabel Verification Agency

MEMR : Ministry of Energy and Mineral Resources

MGTC : Malaysian Green Technology and Climate Change Corporation

MoEF : Ministry of Environment and Forestry

MoF : Ministry of Finance
MoI : Ministry of Industry

MoT : Ministry of Trade

PPBN : Pusat Produksi Bersih Nasional or National Clean Production Center

Perpres : Peraturan Presiden or Presidential Regulation

Pusfaster : Pusat Fasilitasi Penerapan Standar Instrumen Lingkungan Hidup dan

Kehutanan or The Centre for Facilitation and Implementation Standards

Instrument

Renstra : Rencana Strategis or Strategic Plan

RKP : Rencana Kerja Pemerintah or the Annual Workplan of the Government

RKPD : Rencana Kerja Pemerintah Daerah or the Annual Workplan of Sub-National

Government (Provincial and City/Regency levels)

Rencana Pembangunan Jangka Panjang Daerah or Sub-National Medium Development Plan (Provincial and City/Regency levels) RPJMD

RPJMN Rencana Pembangunan Jangka Menengah Nasional or National Medium

Term Development Plan

Sustainable Consumption and Production SCP

Standard Nasional Indonesia or Indonesia National Standard SNI

SPP Sustainable Public Procurement

SVLK Sistem Verifikasi dan Legalitas Kayu or Timber Verification and Legality

System

: United States Environmental Protection Agency **US EPA**

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Executive Summary

The German Federal Ministry for Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), through the Scaling Sustainable Consumption and Production (Scaling SCP) Project implemented by GIZ, supports Indonesia in promoting and strengthening ecolabel (EL) and green public procurement/sustainable public procurement (GPP/SPP). The program aims to support climate- and resource-friendly product standards and consumption patterns and thereby contribute to mitigation of climate change and to promotion of resource protection.

Capacity work development is important to strengthen the implementation of ecolabel and GPP/SPP in Indonesia. Therefore, GIZ through the Scaling SCP Project contribute to prepare capacity development plan applied to key institutions in the implementation of ecolabel and GPP/SPP that comprises Bappenas, MoEF (BSILHK), LKPP, and Sub-national Government (provincial and district/municipal). Based on the discussion with representatives of key institutions, there are 4 key issues identified which consists of: (i) mainstreaming ecolabel and G/SPP in the regulatory framework, (ii) steering and coordination of ecolabel and GPP/SPP reform, (iii) incentive and disincentive scheme, and (iv) expansion of environmentally friendly products.

To address the issue of mainstreaming ecolabel and G/SPP in the regulatory framework, some recommendations are suggested as follows:

- 1. Utilize the Long-Term Action Plan (LTAP) to steer the integration of Ecolabel and GPP/SPP into the national and/or sub-national development planning process.
- 2. Bappenas and Bappeda shall mainstream ecolabel and GPP/SPP into the development planning documents at both, national and sub-national levels. The terms of GPP and SPP should be clarified to provide clear guidelines for further coordination and implementation.
- 3. Relevant ministries and agencies at sub-national levels shall integrate the topic of ecolabel and GPP/SPP into institutional planning documents.
- 4. Medium term (5 years) and annual Key Performance Indicators (KPI) shall be formulated by ministries and sub-national governments.
- 5. Clear guidelines for ecolabel and GPP/SPP implementation should be provided by key institutions through the issuance of Presidential Regulation or Presidential Instruction.
- 6. Communication, Education, Awareness at institutional level on GPP/SPP and EL shall be provided.

Moreover, some recommendations to address the issue of steering and coordination of ecolabel and GPP/SPP reform are:

- Reactivation and revitalization of Steering Committee (SC) for ecolabel and GPP/SPP implementation at national level. Meanwhile, in line with Scaling SCP project implementation, the SC of Scaling SCP Project may be established.
- The Sibarjasramling managed by MoEF should be integrated into government procurement system that is managed by LKPP. The integration of both systems should be based on a joint decree of MoEF (BSILHK) and LKPP.
- Sub-national Government should establish a steering structure to expedite the implementation of GPP/SPP (Steering Committee or Technical Committee). At initial stage, it could be started in pilot provinces of Scaling SCP Project.

To address the issue of incentive and disincentive schemes, some following actions are proposed that includes:

- Prepare regulatory framework as legal basis to design incentive and disincentive schemes.
- Determine categories of incentives and disincentives schemes (economic and fiscal, regulatory, and reputational) and define potential instruments respectively.
- Identify operating agencies that can play important role in incentives and disincentives schemes.
- Assess target group of environmentally friendly products (goods and services) that can be determined as object(s) of incentive and disincentive.

Finally, some recommendations to address the issue of expansion of environmentally friendly products are:

- Mapping of new schemes and new products, including to identify new schemes from outside of the Ministry of Environment and Forestry.
- Compiling/curating product categories and schemes.
- Expanding categories and schemes review.
- Determining minimum standard criteria.
- Simplifying the certification process.
- Improving of product registration system.

1. Introduction

The German Federal Ministry for Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) has been supporting partner countries in promoting and strengthening ecolabel (EL)¹ and green public procurement/sustainable public procurement (GPP/SPP)², one of which is carried out through the implementation of Scaling Sustainable Consumption and Production (Scaling SCP) Project. The Scaling SCP Project, which is implemented in 4 partner countries the Southeast Asia: Thailand, Malaysia, Indonesia and The Philippines, aims to support climate- and resource-friendly product standards and consumption patterns in Southeast Asia (SEA) and thereby contribute to mitigation of climate change and to promotion of resource protection.

The main objective of Scaling SCP Project is to strengthen Type I ecolabel and GPP/SPP as central elements of an SCP policy in partner countries with the overarching goal of reducing greenhouse gas (GHG) emissions. Scaling SCP aims to achieve three main outputs as follow:

Output 1 – Scaling SCP competencies: Institutional and technical competencies for the implementation of ambitious, climate-and resource-friendly criteria in the SPP and/or Type I Ecolabel have improved.

Output 2 – Scaling SCP scope: The scope of sustainable procurement at national level and/or at the sub-national level and/or in large semi-public institutions, has increased.

Output 3 – Cooperation on SPP and labeling: Cooperation, environmental labels, SPP experience and knowledge documents, such as ambitious regionally harmonized product criteria, are available internationally.

As a continuation of The Advance SCP Project, implementation of Scaling SCP Project in Indonesia was commenced by the organization of a planning workshop, held in Bali on 17-20 October 2022. The workshop was attended by representatives of Ministry of Environment and Forestry (MoEF), National Public Procurement Agency (LKPP), Provincial Governments (South Sulawesi, East Kalimantan, South Kalimantan, East Java, Riau Islands, and Bali), GIZ Indonesia, GIZ Malaysia, representatives of the Malaysian Green Technology and Climate

¹ United States Environmental Protection Agency (US EPA) defines ecolabels as marks placed on product packaging or in e-catalogues that can help consumers and institutional purchasers quickly and easily identify those products that meet specific environmental performance criteria and are therefore deemed "environmentally preferable". Ecolabels can be owned or managed by government agencies, non-profit environmental advocacy organizations, or private sector entities.

² According to European Commissions, Green Public Procurement (GPP) means that public authorities seek to purchase goods, services and works with a reduced environmental impact throughout their life cycle compared to goods, services and works with the same primary function which would otherwise be procured. While Sustainable Public Procurement (SPP) is defined as a process by which public authorities seek to achieve the appropriate balance between the three pillars of sustainable development - economic, social and environmental - when procuring goods, services or works at all stages of the project.

Change Corporation (MGTC) and the Standard and Industrial Research Institute of Malaysia (SIRIM), and consultants. One important issue that was discussed in the workshop is capacity development³.

The word "Capacity" is defined by United Nations Development Group as the ability of people, organizations, and society as a whole, to manage their affairs successfully. While "Capacity Development" is defined as the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time in order to achieve development results.

According to GIZ (2022), Capacity Work Development Framework encompasses three levels: (1) individual, (2) organizations, and (3) society, which are defined as:

- Individual: Individual competence building, that aims to promote personal, social, technical, managerial, methodological and leadership competences to develop comprehensive proactive capacities of individuals and networking through joint learning process.
- 3. **Organizations: Organizational development**, that aims to promote organisational learning and raise the performance and flexibility of an organisation.
- 4. Society: There are two elements of capacity development at society level, namely (i) development of cooperation system that aims to establish and develop cooperation between organisations to improve coordination and performance; establish and develop networks for knowledge sharing and co-creation and (ii) development of enabling frameworks that aims to develop enabling legal, political and socioeconomic frameworks so that individuals, organisations and societies can develop and raise their performance capability.

The assignment is related to capacity assessment process and preparation of capacity development plan applied to key institutions in the implementation of ecolabel and GPP/SPP in Indonesia. The GIZ envisions the following **capacity work development outcome** from the support provided to key institutions for implementing a better ecolabeling and GPP/SPP in Indonesia:

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³ Some recommendations in capacity development area resulted from the planning workshop, consist of capacity development for relevant institutions at national and sub-national level is required to accelerate and expedite GPP/SPP and Ecolabeling implementation; capacity development for private sector (industries and commercial actors) is also required; capacity development could be provided using various method particularly on-job training; and exchange with other countries (member of Scaling SCP) is essential to provide better understanding of preparation and implementation of G/SPP and Ecolabeling.

- The relevant institutions responsible for the project and their staff have increased knowledge, technical capacities and skills in preparation and implementation phase of ecolabeling and GPP/SPP.
- The relevant institutions within the national government have increased managerial and financial capacities necessary to mobilise innovative strategies for ecolabeling and GPP/SPP implementation.
- Cooperation and communication among relevant institutions at national and sub national level and networks are strengthened.
- Relevant institutions have applied and institutionalised appropriate methodologies and processes for effective ecolabeling and GPP/SPP implementation.

This document is prepared to support the capacity work development to expedite the implementation of ecolabeling and GPP/SPP across the country. The objectives of this report are:

- To identify gaps in SCP competencies of key institutions that are involved in ecolabeling and GPP/SPP implementation.
- To elaborate strategies to fill the gaps in SCP competencies.
- To determine capacity development programs and activities to enhance ecolabeling and G/SPP implementation in Indonesia.

The report of assignment can be elaborated as follows:

- The capacity assessment process, which aims to analyse the existing capacities and to identify potential gaps that are or may be preventing the realization of the project at three levels of capacity development; and
- The capacity development plan, which draws on the assessment results to formulate
 and suggest interventions to effectively address existing capacity gaps. The plan
 includes a mix of instruments by capacity levels, but not limited to individual
 competence building, organizational development, strengthening cooperation system,
 and development of enabling environment that is focused on SCP regulatory
 frameworks.

This document consists of five chapters as summarized below:

- Chapter 1 describes the background and context of the report related to the GIZ
 Scaling SCP project. It explains objectives and structure of the report.
- Chapter 2 discusses the overview of ecolabel and GPP/SPP in Indonesia and the role
 of key institutions.
- Chapter 3 elaborates key issues in different levels (individual, organizational, and society) to improve the implementation ecolabeling and GPP/SPP in Indonesia.

- Chapter 4 explains capacity development programs and activities in individual
 competence building, organizational development, strengthening cooperation system,
 and development of enabling environment that is focused on SCP regulatory
 frameworks to support implementation of ecolabeling and GPP/SPP in Indonesia for
 each key institution.
- Chapter 5 provides follow up actions that need to be undertaken to implement capacity development plan.

2. Overview of Ecolabel and GPP/SPP in Indonesia

2.1 Ecolabel

Ecolabeling seeks to inform consumers about the effects on the environment of the production, consumption and waste phases of the products/services consumed. Consequently, it seeks to fulfil at least three objectives: (i) to provide consumers with more information about the environmental effects of their consumption, generating a change towards more environmentally friendly consumption patterns, (ii) to encourage producers, governments, and other agents to increase the environmental standards of products and services, and (iii) to gain competitive advantage from the incorporation of labelling schemes (Gallastegui, 2002).

There are three types of Ecolabels based on the definition of The International Organization for Standardization (ISO) as follows:

- Type I (ISO 14024): a voluntary, multi-criteria based third-party programme that awards
 a license which authorizes the use of environmental labels on products indicating
 overall environmental preferability of a product within a particular product category
 based on life cycle considerations;
- Type II (ISO 14021): informative environmental self-declaration claims, that is made, without independent third-party certification, by manufacturers, importers, distributors, retailers, or anyone else likely to benefit from such a claim. The ISO standard lists several requirements for these claims such as accuracy, possibilities for verification and consideration of relevant environmental aspects;
- Type III: environmental declaration with environmental data quantification using ISO 14040 and 14044.

Program related to ecolabel can be traced back and has been being implemented in many countries (with different terms), such as 1977 in Germany (Blue Angel), 1988 in Canada (Environmental Choice), 1989 in Japan (Eco Mark), 1990 in US (Green Seal), 1991 in India (Eco-Mark), and 1993 in European Union (Eco-label).

In Indonesia, ecolabel has been initiated in 1994 by a working group on Ecolabel, established by the Indonesian Ministry of Forestry. This working group was working on the development of criteria and indicator for sustainable forest management, which later lead to the establishment of The Indonesian Ecolabelling Institute (LEI) in 1998. The Indonesian ecolabel logo and scheme were issued by the Indonesian Ministry of Environment and the National

Standardization Agency of Indonesia (*Badan Standardisasi Nasional*/BSN⁴) in 2004⁵. The tools for implementing ecolabel certification are prepared by the Ministry of Environment in collaboration with the National Accreditation Committee (*Komite Akreditasi Nasional*/KAN)⁶, related technical agencies, certification institutions, testing laboratories and other parties until the end of 2004 (Isharyadi, *et al.*, 2022; Setiawan, *et al.*, 2018).

In 2014, the Government of Indonesia issued Minister of Environment Regulation no 2/2014 regarding The Inclusion of The Ecolabel Logo. The regulation states that an ecolabel logo is a logo whose copyright is owned by the Ministry of Environment which states that a certain product has fulfilled environmental aspects which include the acquisition of raw materials or natural resources, the production process, distribution, use and disposal of a product's waste.

There are 2 types of ecolabel logo in Indonesia, namely the Indonesian ecolabel logo and the Indonesian self-declared ecolabel logo. The Indonesian ecolabel logo is given to a certain product that has been certified by an ecolabel certification agency. Other than that, the Indonesian self-declared ecolabel logo is given to a particular product based on the results of verification by an ecolabel verification agency on the claims of manufacturers, importers, distributors, retailers, trademark owners or other parties.





a. Ecolabel Logo

b. Self-declared ecolabel logo

Figure 1. Ecolabel logo and self-declared ecolabel logo

The criteria used in Indonesian ecolabel are based on the Indonesian National Standard (*Standar Nasional Indonesia* or SNI) related to ecolabel criteria on a particular product. Currently, there are twenty (20) SNIs which are used to assess ecolabelling of this type. In this scheme, the certification body that conducts conformity assessments against the required criteria is accredited by KAN. The ecolabel is registered to the Ministry of Environment and

⁴ The National Standardization Agency (BSN), established in 1997, is a non-ministerial Indonesian government agency with the main task of carrying out governmental tasks in the field of standardization and conformity assessment in Indonesia.

⁵ The issuance was related to the commemoration of the World Environment Day on June 5, 2004, in Jakarta.

⁶ The National Accreditation Committee (KAN) is a Non-Structural Institution that is responsible in the conformity assessment accreditation. Based on Law Number 20 of 2014 concerning Standardization and Conformity Assessment, KAN is under and responsible to the President through the Head of the National Standardization Agency (BSN).

Forestry. Currently, there are 28 ecolabel certificates⁷ that have been given to several products in Indonesia (Pusfaster online database, 2023).

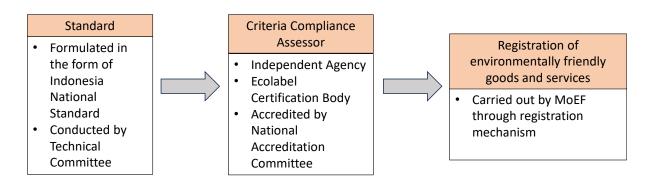


Figure 2. Scheme of Ecolabel Indonesia

The claims of self-declared ecolabel in Indonesia should involve evaluation conducted by Ecolabel Verification Agency (*Lembaga Verifikasi Ekolabel*/LVE). Verification by LVE includes compliance with environmental management regulations, implementation of environmental management systems, application of product standardization and the use of environmentally friendly packaging. Currently, there are nine verification agencies for the application of Indonesian self-declared ecolabels. In addition, there are 54 products⁸ that have been given the label for several products (Pusfaster online database, 2023).

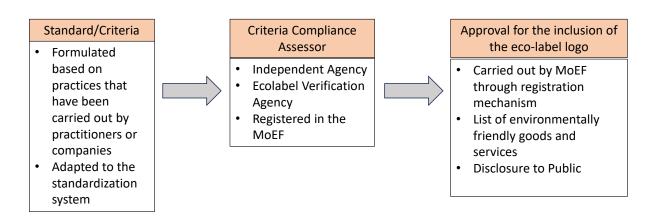


Figure 3. Scheme of self-declared ecolabel in Indonesia

⁷ Those 28 ecolabel certificates are categorized in 4 product categories: (i) textiles and textile products, (ii) shopping bags (made of plastic), (iii) paper, and (iv) sheet glass.

⁸ Those 54 products are categorized in following product categories: resin high density polyethylene (HDPE), resin polypropylene, plastic shopping bag, plastic straw, plastic packaging, monomer, raw material, shopping bag, PET bottle, polypropylene sheet, paper/carton packaging for milk product, paper packaging for food, mortar & concrete, aluminum food packaging, wet tissue, and glass bottle packaging.

In additions to the two previous ecolabels, there are also ecolabel activities carried out by non-government, such as The Indonesian Ecolabelling Institute (LEI) and Green Label Indonesia (GLI).

LEI is a constituent-based non-profit organization that develops a fair and sustainable forest resource management certification system in Indonesia. It aims to find solutions for addressing forest and environmental degradation, including social impacts on local communities and indigenous people. LEI's certification includes schemes for (1) Natural Forest certification, (2) Plantation Forest certification, (3) Community Forest certification, and (4) Chain of Custody (CoC), a log tracking system for industries that process forest products such furniture, plywood, sawn wood as well as pulp and paper. To date, LEI certification has been issued for 22 plantation forest management institutions covering an area of 2.4 million hectares, along with 5 pulp & paper industries. Then, 5 small-scale furniture and handicraft industries with CoC certification, 48 community groups consisting of Community Forests and Customary Forests, covering a total area of 83 thousand hectares in 9 provinces.

Green Label Indonesia (GLI) is an ecolabel product certificate issued by a non-governmental organization called the Green Product Council Indonesia (GPCI). GPCI was established in 2015 with a focus on eco-friendly in building material products. The types of products to be certified are categorized into building materials, interior products, and lighting & electronic equipment. Currently the GPCI is ready to certify several product types. GPCI is a member of the Global Ecolabelling Network (GEN) which is a forum for cooperation, information exchange, and harmonization of standards related to ecolabelling activities in each member country. Until now, there are 125 brands on several products that have received GLI.

2.2 Green Public Procurement/Sustainable Public Procurement (GPP/SPP)

In general, public procurement⁹ policy in Indonesia stipulates certain procurement objects include goods¹⁰, construction works¹¹, consultant works¹² and other services¹³. National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional* or

⁹ Based on Presidential Regulation No.16 Year 2018 concerning Procurement of Government Goods and Services, public procurement is defined as procurement activities of goods and services by Ministries/Institutions/Regional Apparatus financed by APBN / APBD whose process starts from identifying needs, up to handover of the results. ¹⁰ Goods are all tangible and intangible, mobile and stationary, tradable, usable by users, such as vehicle, computer, office supplies, agriculture equipment, etc.

¹¹ Construction works are partial or whole activities of construction, operation, maintenance, demolishment, and reconstruction of a building such as construction of public school, renovation of office building, construction of

¹² Consulting works are professional services that require specific expertise such as consulting of performance, hospital service, psychology service, etc.

¹³ Other services are other non-consulting services or services that require equipment, special methodology and/or skills that broadly accepted in good governance such as security service, cleaning service, delivery/courier, event organizers, training providers, etc.

RPJMN) 2020–2024 provides guidance on public procurement of goods and services, as follows:

- Harmonization and synchronization of regulation concerning planning, budgeting, procurement goods and services, monitoring and evaluation, and auditing of national and local government.
- Development and implementation government procurement process that includes sustainable criteria with systematic and consistent approach as well as based on best approach.
- Increasing local content in public procurement on goods and services by 5%.

Green Public Procurement (GPP) policies in Indonesia is developed based on the Law No.32 Year 2009 concerning Environmental Protection and Management, and the Government Regulation No.32 Year 2017 concerning Environmental Economic Instruments. Whereas Sustainable Public Procurement (SPP)¹⁴ is stipulated by Presidential Regulation No.21 Year 2021, replacing Presidential Regulation No.16 Year 2018, concerning Procurement of Public Goods and Services. In addition, the Decree of the Minister of Environment and Forestry (MoEF) No.5 Year 2019 describes the procedures of Green Labels Implementation for Green Public Procurement.

Policy development for GPP/SPP in Indonesia has strategic value in encouraging the implementation of sustainable consumption and production patterns by promoting environmentally friendly goods/services procurement practices within government circles. The policy is strategic, cross-sectoral and involves the involvement of various stakeholders, including Government Goods/Services Procurement Agencies (LKPP), Ministries/Agencies, Provincial Governments, and City/Regency Governments in Indonesia.

According to MoEF, the GPP policy in Indonesia has shown encouraging developments. This important milestone in the development of the policy was marked by the stipulation of the Minister of Environment and Forestry Regulation No. 5 of 2019 concerning Procedures for Applying Environmentally Friendly Labels for the Procurement of Environmentally Friendly Goods and Services which contains 6 (six) categories (photocopy paper, stationery/file folders made of recycled, timber verification and legality system (*Sistem Verifikasi dan Legalitas Kayu/*SVLK)¹⁵ certified wooden furniture, air conditioning device, microwave¹⁶, and autoclave¹⁷).

¹⁴ Based on the regulation above, SPP is defined as the procurement of goods/services that aims to achieve economic benefits and to reduce negative impacts on the environment. It is applied not only to Ministries/National Government Institutions/Local Governments as users but also to society.

¹⁵ SVLK is a multi-stakeholder tracking system to ensure the legality of timber sources circulating and trading in Indonesia.

¹⁶ A medical waste processing technology product for health care facilities.

¹⁷ a medical waste processing technology product for health care facilities.

The above regulation has been followed up by LKPP with the operational guidance of procurement of goods and services regulated in the Circular Letter of the Head of LKPP No. 16 of 2020 concerning Green Products/Green Industry Products to be Used in Sustainable Government Procurement of Goods/Services for 3 (three) products listed in the Minister of Environment and Forestry Regulation Number 5 of 2019.

Implementation of GPP/SPP is led by the MoEF and LKPP. In 2020, Coordinating Ministry for Economic Affairs delegated its responsibility to lead SPP implementation to the Ministry of National Development Planning Agency (*Badan Perencanaan Pembangunan Nasional* or BAPPENAS). BAPPENAS has included GPP/SPP in the RPJMN and defined GPP and SPP plans that are handled by MoEF and LKPP. At national level, policy implementation of GPP/SPP involves the following institutions:

a. MoEF through the Agency for Standardization of Environmental and Forestry Instruments (*Badan Standardisasi Instrumen Lingkungan Hidup dan Kehutanan*/BSILHK):

BSILHK has a role to coordinate GPP/SPP implementation and develop product and service criteria for the public type 1 eco-label (EL, *Ramah Lingkungan*).

b. BAPPENAS:

BAPPENAS is mandated to coordinate the planning GPP/SPP strategy and implementation, and streamline GPP/SPP in the RPJMN as guidance of planning and budgeting for all ministries, national, and local government institutions.

c. LKPP:

LKPP is mandated to lead implementation of SPP, develop ecolabel certified product criteria and product lists, with added social and economic tender criteria.

d. PPBN:

PPBN is established in 2004 by the Decree of the Minister of the Environment and Forestry (MoEF) and the Indonesian Chamber of Commerce (*Kamar Dagang Indonesia* or KADIN). PPBN supports BSILHK to develop EL criteria of 10 selected products or services criteria, and/or increase the ambition of existing product/service criteria.

The Gol has been introducing GPP since 2013 and the plan of its' development can be divided into different stages: (i) initiation stage (2013-2014), (ii) systemic stage (2015-2019), (iii) acceleration stage (2020-2024), and (iv) mainstreaming stage (2025-2030). At each stage, the Gol determines strategies to enhance ecolabel and GPP implementation that can be seen in the table below.

Table 1. Stages of GPP Intervention in Indonesia

#	Stage	Documents	Strategies
1	Initiation Stage (2013-2014)	Framework of 10 Years of SCPs in Indonesia	 3 strategies: Cross Sectoral Initiative led by MoEF. Sectoral Initiative in all ministries. Establishment of Resources pool.
2	Systemic Stage 2015-2019	RPJMN 2015 – 2019: SCP as agenda for systemic and fundamental transformation	 3 strategies: Systemic in Government, Business, and society. Development in all sectors (ministries) and thematic substance. Establish the Platforms "Communities of Practice SCPs".
3	Acceleration Stage 2020-2024	RPJMN 2020 – 2024: SCP promotes resource efficiency, low-carbon development strategy, green economy, circular economy.	 4 strategies: Increase demand of GPP and improve environmentally friendly public facilities. Increase supply by providing new products, green technology innovation, sustainable investment, and finance. Improve Resource pool by providing Platform of SCP concrete action menu for government, business, and public. Create new potential green jobs in various sectors (water, waste management etc).
4	Mainstreaming Stage 2025-2030	RPJMN 2025 – 2029: SCP means well-being, sustainable growth, sustainable investment	 Increase the role of green investment as the centre of economic growth to increase public welfare. Environmentally friendly behaviour is institutionalized in government, business, and society. Improve environmentally friendly business in the domestic market and competitive on international market.

Various regulations related to ecolabel and GPP/SPP have been issued by different ministries as can be seen in the figure below.

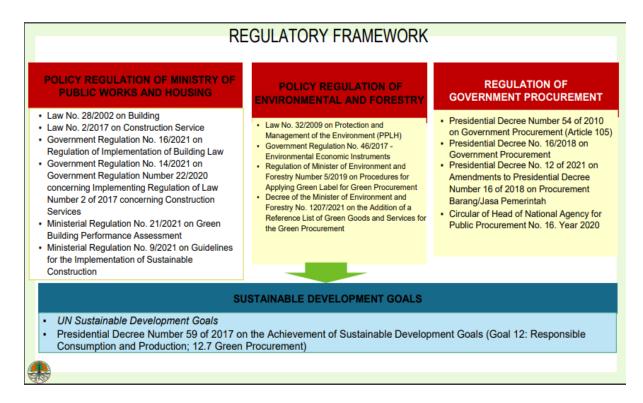


Figure 4. Regulatory Framework of G/SPP in Indonesia

2.3 Key Institutions in Ecolabel and G/SPP Implementation in Indonesia

Several ministries and government agencies that play key role in the development and implementation of ecolabel and SPP in Indonesia are the Ministry of National Development Planning/National Development Planning Agency (BAPPENAS), MoEF and LKPP. Brief explanation of those institutions is as follows:

2.3.1 BAPPENAS

BAPPENAS is a ministry in Indonesia that has task to lead and oversee the national development planning. In general, two main functions of Bappenas related to SPP are:

- Formulation and determination of policies in the field of national development planning, national development strategies, sectoral, cross-sectoral and cross-regional policy directions, as well as macroeconomic framework that includes a comprehensive picture of the economy including fiscal policy direction, regulatory framework, institutions, and funding.
- Coordination and synchronization of policy implementation in the field of national development planning and budgeting.

The working unit under BAPPENAS that is responsible for coordinating the development of SPP is the Directorate of Environment. This directorate is under the supervision of the Deputy Minister for Maritime Affairs and Natural Resources.

Based on the Regulation of the Minister of National Development Planning Number 3/2022 concerning the Organization and Working Procedures of BAPPENAS, the Directorate of Environment has the task to carry out coordination and formulation of policies, synchronization of policy implementation, monitoring, evaluation and control, as well as preparation of cross-sectoral development strategic initiatives of national development planning in the field of environment. To carry out its' tasks, the Directorate of Environment has several functions as follow:

- a. coordinating and formulating national development planning policies regarding themes, targets, policy directions on national development priorities, regulatory framework, institutional framework, funding framework, public service and investment framework, and international cooperation on national development planning in the environmental field.
- b. coordinating, synchronizing and integrating the implementation of policies for planning and allocating national development budgets in the fields of environmental quality, climate change and disaster preparedness systems, as well as conservation of natural resources and biodiversity.
- c. preparation of cross-sectoral development strategic initiatives through the development of innovative development models as a basis for implementation and institutionalization of plans and budgets of Ministries/Institutions/Regional Governments in the fields of environmental quality, climate change and disaster preparedness systems, as well as conservation of natural resources and biodiversity.
- d. coordinating the acceleration of program implementation of the national development plan in the fields of environmental quality, climate change and disaster preparedness systems, as well as conservation of natural resources and biodiversity.
- e. monitoring and evaluating the implementation of development programs and activities in the field of environmental quality, climate change and disaster preparedness systems, as well as conservation of natural resources and biodiversity.
- f. implementation of evaluation and reporting of implementation of tasks and functions of national development planning in the environmental sector.
- g. implementation of administrative affairs of the Directorate of Environment.

Taking into account the tasks and functions above, the Directorate of Environment of BAPPENAS plays a central role in the planning and coordinating the development SPP in Indonesia as part of efforts to support sustainable development implementation across the

country. The important role that can be played by the Directorate of Environment of BAPPENAS is mainly in coordinating policy implementation and allocating budgets of relevant ministries in the development of SPP in Indonesia.

Based on discussions with various related ministries, the leadership of BAPPENAS is urgently needed to ensure a smooth implementation of SPP in relevant ministries. Moreover, BAPPENAS is also expected to lead the coordination of ecolabel and GPP implementation. In addition, the development of ecolabel and GPP/SPP needs to be stipulated in the national development planning document and equipped with performance indicators that need to be achieved within a certain period. Furthermore, a clear guidance at national level will allow local governments through the leadership of local development planning agency (*Badan Perencanaan Pembangunan Daerah* or BAPPEDA), at provincial and regency/city levels, to apply GPP/SPP respectively.

The SPP Policy in the procurement of government goods/services is outlined in the Presidential Regulation number 12 of 2021 concerning Procurement of Public Goods and Services. In the regulation, SPP is defined as the procurement of goods/services that aims to achieve economic benefits not only for Ministries/Institutions/Regional Apparatuses as users but also for society, as well as significantly reducing negative impacts on the environment as a whole cycle of use.

Additionally, in accordance with Law number 32 of 2009 concerning Environmental Protection and Management, SPP needs to be implemented within the government because public procurement is one of economic instruments¹⁸ that can be used by the government to influence the desired market. If the government procures goods and services that are environmentally friendly or creates jobs for that purpose, the market and its impact can be strengthened. In contrary, if the government buys goods and services that are harmful to the environment or society, the market for such products is strengthened too.

2.3.2 Ministry of Environment and Forestry

The working unit under the MoEF that has responsibility for the development of ecolabel and GPP/SPP is the Agency for Standardization of Environmental and Forestry Instruments (*Badan Standardisasi Instrumen Lingkungan Hidup dan Kehutanan*/BSILHK). The main task of BSILHK is to coordinate, formulate, develop, and apply standards and conformity assessment of instrument standards in the environmental and forestry sector. The organizational structure of BSILHK can be seen in the figure below.

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¹⁸ Other instruments include regulations, finance, or information/education.

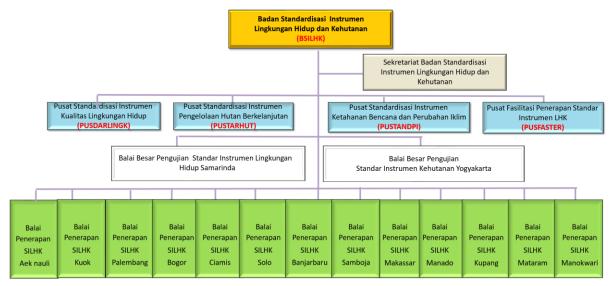


Figure 5. Organizational Structure of BSILHK

There are two working units at echelon 2 level that can be considered as key institutions for ecolabel and GPP development at BSILHK, namely PUSFASTER (*Pusat Fasilitasi Penerapan Standar Instrumen Lingkungan Hidup dan Kehutanan* or The Centre for Facilitation and Implementation Standards Instrument) and PUSDARLING (*Pusat Standardisasi Instrumen Kualitas Lingkungan Hidup* or Centre for Standardization of Environmental Quality Instruments).

a. PUSFASTER

Based on the Minister of Environment and Forestry Regulation No. 15 of 2021 concerning the Organization and Work Procedure of the MoEF, the Center for Standardization of Environment and Forestry (*Pusat Standardisasi Lingkungan Hidup dan Kehutanan* or PUSTANLINGHUT) underwent an organizational restructuring to become PUSFASTER.

PUSFASTER has the task of carrying out the formulation and implementation of technical policies for facilitating the application of environmental and forestry instrument standards.

The functions of the institution are:

- Preparing the formulation of technical policies for planning registration and facilitating the application of environmental quality standard instruments, sustainable forest management, resilience to natural disaster and climate change.
- Implementation of standard registration of environmental quality instruments, sustainable forest management, resilience to natural disaster and climate change.
- Implementation of the preparation of the substance of the statutory regulations on standard instruments for environmental quality, sustainable forest management, resilience to natural disaster and climate change.

- Implementation of facilitation of implementation of standard instruments within the scope of the MoEF and external stakeholders.
- Implementation of monitoring, evaluation, and reporting of planning registration and facilitating the application of standard instruments for environmental quality, sustainable forest management, resilience to natural disaster and climate change.
- Implementation of central administrative and internal affairs.

Based on discussions with PUSFASTER, there are several important factors that should be taken into account related to ecolabel and GPP development as follows:

- By considering the regulations for its establishment, PUSFASTER has a clear mandate
 to develop ecolabel and GPP system in Indonesia. Its position allows PUSFASTER to
 play a significant role in the development of ecolabels and GPP. In addition,
 PUSFASTER can propose the budget needed to develop ecolabels and GPP on a
 larger scale. However, due to limited authority, PUSFASTER does not have function to
 coordinate other ministries.
- Due to re-organization within MoEF, PUSFASTER is relatively a new institution. To some extent, PUSFASTER should strengthen its position in communicating both internally and externally outside the ministry. This is certainly very influential in efforts to develop ecolabel and GPP.
- Even though PUSFASTER is categorized as a new working unit, some of its employees have knowledge and experience in developing ecolabel dan GPP. It provides distinct advantages that can strengthen PUSFASTER's position in the development of ecolabel and GPP.
- PUSFASTER has developed an information system, named Sibarjasramling¹⁹ (Sistem Informasi Barang dan Jasa Ramah Lingkungan), that aims to provide detailed information regarding environmentally friendly products that can be used in the procurement of goods and services. The information system that was developed in 2020, is expected to provide operational reference sources for public procurement of environmentally friendly goods and services in relevant Ministries/Institutions. However, currently its utilization has not been effective, mainly because it has not been connected to the procurement system of goods and services managed by LKPP which becomes the reference for the public procurement at national and sub-national levels.
- Pusfaster is supported by 13 Centers for Implementation of Environmental and Forestry Instrument Standards (Balai Penerapan Standar Instrumen Lingkungan

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¹⁹ Legal basis of Sibarjasramling is the regulation of Minister of Environment and Forestry Number 5/2019

- Hidup dan Kehutanan) in some regions to improve vertical coordination between national and sub-national government.
- Attention to ecolabeling and GPP as an instrument for achieving sustainable development goals has increased and it led many international agencies to provide technical assistance. This makes opportunities to get technical assistance is getting higher for Indonesia as a country that has a lot of cooperation with various development partners, especially in the fields of environment and climate change.

a. **PUSDARLING**

PUSDARLING is another working unit under BSILHK, similar with PUSFASTER. The main task of PUSDARLING is to provide technical policy, formulation, development, and assessment of suitability instrument standard in environment and forestry sector, while its' functions are:

- To formulate technical policies related to environmental quality standards and their conformity assessment.
- To develop environmental quality standards.
- To coordinate the implementation of environmental quality standards based on the results of the analysis data and information.
- To conduct monitoring, evaluation, and reporting of the implementation of environmental quality standard.

Based on discussions with PUSDARLING, some key factors related to institutional capacity in developing ecolabel and GPP are as follows:

- Similar with PUSFASTER, PUSDARLING has clear mandate to develop relevant standards related to ecolabel and GPP based on regulation. The role of PUSDARLING complements PUSFASTER's role in developing ecolabel and GPP, especially in the development of technical aspect of instrument standards.
- PUSDARLING has laboratories that can be used to support standard development related to ecolabel and GPP.
- Number of personnels of PUSDARLING who are responsible for developing ecolabel and GPP is relatively limited. However, PUSDARLING can work together with various external specialists who are members of the pool of expert that was established several years ago.

- Even though PUSDARLING employees have technical capabilities in developing instrument standards related to environmentally friendly products/services, those personnels are relatively not familiar with general concept of ecolabel and GPP issues.
- Like PUSFASTER, support from international development partners (technical assistance) is available to support PUSDARLING tasks in developing ecolabel and GPP.

2.3.3 LKPP

LKPP is a Non-Ministerial Government Institution that is under supervision and responsible to the President. The Agency was established based on Presidential Decree No. 106 of 2007. LKPP is the only government agency that has tasks to carry out the development and formulation of Government goods/services procurement policies. In conducting its duties and functions LKPP is coordinated by the BAPPENAS. Organizational structure of LKPP can be seen in the figure below.

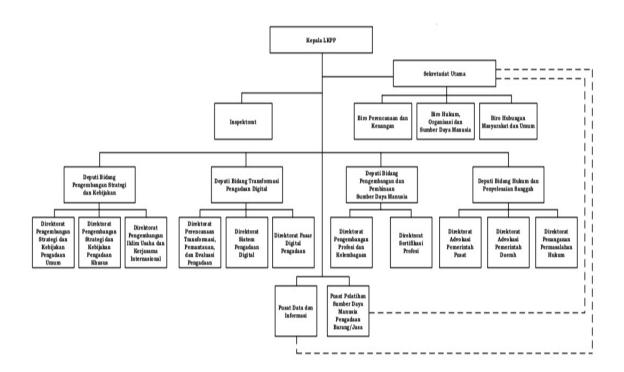


Figure 6. Organizational Structure of LKPP

The functions of LKPP are:

 Compilation and formulation of strategies as well as determination of policies and standard procedures in the field of government procurement of goods/services including the procurement of business entities in the context of cooperation between the government and business entities;

- Compilation and formulation of strategies as well as determination of policies for fostering human resources in the field of procurement of government goods/services;
- Monitoring and evaluating its implementation;
- Fostering and developing information systems as well as supervising the administration of government procurement of goods/services electronically;
- Providing technical guidance, advocacy and legal opinion;
- Fostering and administering administrative support to all organizational units in LKPP;
 and
- Supervision of the implementation of LKPP tasks.

Based on discussions with LKPP, some important factors related to institutional capacity in developing SPP are as follows:

- LKPP is an institution that has authority to regulate policies regarding procurement in Indonesia. In this context, LKPP can issue regulations related to SPP that must be followed and obeyed by all government agencies, both at the national and sub-national levels. Hence, LKPP has strong position to influence public procurement system entirely.
- Personnels of LKPP are knowledgeable and experienced on procurement system.
 However, those personnels needs to be equipped with knowledge on ecolabeling and G/SPP.
- Number of employees who handling eco-label and SPP issues is still very limited (currently there are only 3 people as per February 2023). Therefore, it is necessary to increase the number of employees for a better implementation of ecolabel and SPP.
- Procurement system and network under LKPP is available to improve vertical coordination between national level and sub-national level. Therefore, related ecolabel and SPP substances should be integrated to the system.
- LKPP needs to strengthen cooperation with relevant ministries e.g., BAPPENAS, MoEF, MoI, etc.
- LKPP needs to design a clear benefit and disadvantages in SPP system with the support of The Ministry of Finance (MoF).

3. Key Issues in the Development and Implementation of Ecolabel and GPP/SPP

Based on interviews with representatives of the relevant institutions and brainstorming workshops in the period of October 2022 to April 2023, several key issues related to development and implementation of ecolabel and GPP/SPP are identified as follow:

3.1 Mainstreaming Ecolabel and GPP/SPP in the Regulatory Framework

Ecolabel and Green Public Procurement/Sustainable Public Procurement (GPP/SPP) have not been widely implemented due to the lack of mainstreaming these concepts into development planning documents, secondary legislations (e.g., sectoral regulations) and performance system at both the national and sub-national levels. As a result, relevant ministries and government agencies do not have an obligation to implement Ecolabel and GPP/SPP, and they do not prioritize these initiatives.

Nowadays, there are different opinions regarding Green Public Procurement (GPP) and Sustainable Public Procurement (SPP). Therefore, it is necessary to clarify, have the same basic understanding, and synchronize those two terms in a regulation to ensure better coordination in GPP/SPP implementation.

Inclusion of ecolabel and GPP/SPP concept development in the national and sub-national development plan documents will provide concrete directions for relevant ministries as well as agencies in the local government to develop derivative regulations. In addition, it can provide guidelines for the relevant ministries and agencies at the local government level to propose the budget required for the development of ecolabel and GPP/SPP for further approval by Bappenas and the Ministry of Finance at the national level as well as by Bappeda and the Finance Management Agency at the sub-national level.

Some recommendations for capacity development to address issues of mainstreaming ecolabel and GPP/SPP in the regulatory framework are as follows:

- 1. Utilize the Long-Term Action Plan (LTAP) to steer the integration of Ecolabel and GPP/SPP into the national and/or sub-national development planning process.
- 2. Bappenas and Bappeda (at provincial and regency/city) shall mainstream ecolabel and GPP/SPP into the development planning documents at both the national and subnational levels, such as the National and local Medium-Term Development Plans (RPJMN/RPJMD), Strategic Plan (Renstra), annual working plan documents (RKP/RKPD) and annual budgeting policies (APBN/APBD) respectively. The terms of

- GPP and SPP should be clarified to provide clear guidelines for further coordination and implementation.
- 3. Relevant ministries and agencies at sub-national levels shall integrate the topic of ecolabel and GPP/SPP into institutional planning documents, such as institutional strategic plan documents and institutional budget plan documents.
- 4. Medium term (5 years) and annual Key Performance Indicators (KPI) shall be formulated by ministries and sub-national governments. Consequently, it should be included in the monitoring and evaluation of government performance both in the medium term (5 years) and annually.
- 5. Clear guidelines at operational level should be provided by key institutions by issuance of derivative regulations such as Presidential Regulation²⁰/Presidential Instruction²¹, Regulation of Minister of Environment and Forestry, Regulation of Head of LKPP, Regulation of Head of local government (provincial, regency and city) concerning implementation of ecolabel and G/SPP.
- 6. Communication, Education, Awareness at institutional level on G/SPP and EL shall be provided.

The following table describe the need assessment of capacity development to address the issue of mainstreaming ecolabel and G/SPP in the regulatory framework based on several workshops and discussions with relevant stakeholders.

Table 2. Capacity Need Assessment of Capacity Development to Address Mainstreaming Ecolabel and GPP/SPP in the Regulatory Framework

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development
1	Utilization of LTAP to steer the integration of EL & GPP/SPP into the national development planning process	Preparation of LTAP of EL and GPP/SPP	LTAP of EL and GPP/SPP is available.	Society: Enabling Frameworks
		Adoption of LTAP into Technocratic Draft of RPJMN	EL and GPP/SPP is integrated into Technocratic Draft of RPJMN	Society: Enabling Frameworks
		Preparation of Plan and Roadmap of EL and GPP/SPP development	Roadmap document of EL and GPP/SPP are available at national and sub national	Society: Enabling Frameworks

²⁰ Presidential Regulations are Laws and Regulations stipulated by the President to carry out orders from higher Legislative Regulations or in exercising government power.

²¹ Presidential Instructions are regulations stipulated by the president and apply internally as well as policy regulations. Therefore, Presidential Instructions are only used by the president to instruct institutions under his authority.

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#	Topic	Proposed Actions	Expected Result	Type of
				Capacity Work Development
2	Mainstreaming EL and GPP/SPP into national and sub-national planning documents	Integration of EL and GPP/SPP into RPJMN	EL and GPP/SPP topics are included in the RPJMN	Society: Enabling Frameworks
		Integration of EL and GPP/SPP into RPJMD	EL and GPP/SPP topics are included in the RPJMD	Society: Enabling Frameworks
		Integration of EL and GPP/SPP into government action plan at national and sub-national level	EL and GPP/SPP topics are included in the RKP and RKPD documents	Society: Enabling Frameworks
3	Integration of EL & GPP/SPP into institutional planning documents	Integration of EL and GPP/SPP into strategic plan of all ministries and institutions at national and sub-national	EL and GPP/SPP topics are included in the Renstra documents of all ministries and all agencies at subnational level	Society: Enabling Frameworks
		All ministries and agencies allocate budget related to EL and GPP/SPP	Budget related to EL and GPP/SPP is allocated in the APBN and APBD	Society: Enabling Frameworks
4	Formulation of KPI on EL and GPP/SPP at national and sub- national	All ministries and agencies at national level adopt KPI on EL and GPP/SPP	KPI on EL and GPP/SPP is determined in the Renstra documents of ministries and agencies at subnational level	Society: Enabling Frameworks
		Responsible Auditing Body monitor the KPI regularly	Implementation of ecolabel and GPP/SPP are evaluated regularly	Society: Enabling Frameworks
5	Preparation of operational guidelines at national and subnational	Key ministries prepare Presidential Regulation/Presidential Instruction on EL and GPP/SPP as general guidelines	Presidential Regulation/Presidential Instruction on EL and GPP/SPP implementation is available	Society: Enabling Frameworks
		Sub-national government prepare more technical regulations as operational guidelines respectively	Regulation of Head of local government (provincial, regency and city) concerning implementation of ecolabel and SPP	Society: Enabling Frameworks
6	Communication, Education and Awareness	Key Institutions lead the provision of communication, education, and awareness on Eco label and GPP/SPP.	Communication, Education, Awareness at institutional level on Eco Label and GPP/SPP shall be provided	Individual, Organizational

To develop capacity development plan for responding the issue of mainstreaming ecolabel and GPP/SPP in the regulatory framework, further elaboration is carried out based on 5 questions (why, what, how, who and when). The results are described in the table below.

Table 3. Elaboration of proposed actions to address mainstreaming EL and GPP/SPP into regulatory frameworks

Why	What	How	Who	When
Ecolabel and GPP/SPP need to be mainstreamed in the regulatory framework	Utilization LTAP to steer the integration of EL & GPP/SPP into the national development planning process	Preparation of LTAP of EL and GPP/SPP using Technical Assistance of GIZ	Bappenas, LKPP and Pusfaster (supported by GIZ)	Q2-Q3 2023
		Adoption of LTAP into Technocratic Draft of RPJMN	Bappenas	Q4 2023-Q1 2024
		Preparation of Plan and Roadmap of EL and GPP/SPP development	Bappenas, LKPP and BSILHK (Pusfaster)	Q3 2024
	Mainstreaming EL and GPP/SPP into national and sub- national planning documents	Integration of EL and GPP/SPP into RPJMN	Bappenas	• 2023 (Technocratic Draft of RPJMN)
	documents			• 2024 (Preparation of RPJMN)
		Integration of EL and GPP/SPP into RPJMD	Bappeda at sub- national level	Linked with RPJMD preparation at each local government
		Integration of EL and GPP/SPP into government action plan at national and sub- national level	Bappenas and Bappeda at sub- national level	Q2 each year for fiscal year Y+1
	Integration of EL & GPP/SPP into institutional planning documents	Integration of EL and GPP/SPP into strategic plan of all ministries and institutions at national and sub- national	All ministries and institutions at national and sub-national	6 months after enactment of RPJMN and RPJMD

Why	What	How	Who	When
		All ministries and agencies allocate budget related to EL and PPG/SPP	All ministries and institutions at national and sub-national	Q3 each year for fiscal year Y+1
	Formulation of KPI on EL and GPP/SPP at national and sub- national	All ministries and agencies at national level adopt KPI on EL and GPP/SPP in Renstra document, respectively	All ministries and institutions at national and sub-national	All ministries and institutions at national and sub-national
		Responsible Auditing Body monitor the KPI regularly	Auditor Body, Bappenas and Bappeda	Q1 each year for implementation in the fiscal year Y-1
	Preparation of operational guidelines at national and subnational	Key ministries prepare Presidential Regulation on EL and GPP/SPP as general guidelines	Bappenas, BSILHK (Pusfaster) and LKPP	Q2 2024
		Sub-national government prepare more technical regulations as operational guidelines such as Regulation of Head of local government (provincial, regency and municipality) concerning implementation of ecolabel and GPP/SPP	Bappeda, Bureau of Procurement, Environmental Agency	Q3 2024 onwards
	Communication, Education and Awareness	Key Institutions lead the provision of communication, education, and awareness on Eco Label and G/SPP	MoEF (BSILHK), LKPP, Sub-National Government	Q3 2023 onwards

3.2 Steering and Coordination of Ecolabel and GPP/SPP Reform

The development and implementation of the ecolabel and GPP/SPP concept requires horizontal cooperation between relevant ministries at national level. Efforts made by the Ministry of Environment and Forestry have not been synergized with those carried out by other sectoral ministries. Therefore, a cross-institutional coordination at national level to steer implementation of EL and GPP/SPP needs to be strengthened by the reactivation and revitalization of Steering Committee (SC) at national level. The steering structure needs a strong leadership to align ecolabel and GPP/SPP development. Therefore, the roles of Bappenas, MoEF and LKPP are crucial to establish an effective Steering Committee. To provide strong directions for all ministries, the reactivation and revitalization of a steering structure in the development of EL and GPP/SPP needs to be regulated through a Presidential Regulation (Perpres) or Presidential Instruction (Inpres).

In parallel with the implementation of the SCP Scaling Project, at an early stage the SC of Scaling SCP Project may be established through a ministerial decree of MoEF or a decree signed by the Head of BSILHK representing MoEF. The SC of Scaling SCP could be considered as an embryo of National SC for EL and GPP/SPP later on.

Meanwhile, in the development of the GPP/SPP, there is still a dichotomy between the concepts of GPP and SPP with the institutions responsible for and leading the development of the GPP and SPP. MoEF has the authority to develop the GPP while LKPP is given the authority to formulate and develop the goods and services procurement including SPP improvement. The two concepts should be integrated so that their implementation can be better coordinated and more optimal.

The Ministry of Environment and Forestry has created an information system for environmentally friendly goods and services (Sibarjasramling). This system is intended to provide public information regarding products that meet environmentally friendly criteria based on standards set by the MoEF. However, this information system has not been used optimally by other ministries, as well as by sub-national governments. In addition, Sibarjasramling has not been connected and integrated with the government's procurement system for goods and services managed by LKPP. On the other hand, LKPP, that is authorized to develop SPP, has not optimally integrated the concept into the national procurement system because there is no regular input from relevant ministries regarding products that can be categorized for SPP.

The implementation of GPP and SPP across the country requires the active involvement of sub-national governments. Involvement of sub-national governments could be strengthened by the establishment of a steering structure in each region (Steering Committee or Technical Committee). To ensure an alignment of GPP/SPP implementation at national and sub-national

levels, the steering structure at local level also needs to have a close relationship with those at the national level. The involvement of regional leaders, at least the regional secretary is needed. Additionally, the capacity of related human resources at sub-national level should be improved to expedite ecolabel and GPP/SPP implementation.

Recommendation:

- Reactivation and revitalization of Steering Committee (SC) at national level is needed. Ideally, the mandates to establish Steering Committee Structure should be determined in the Presidential Regulation or Presidential Instruction on EL and GPP/SPP implementation. In the Perpres or Inpres, the leading ministry of SC should be decided. Furthermore, the SC could be established by a ministerial regulation of the leading ministry. Meanwhile, in line with Scaling SCP project implementation, the SC of Scaling SCP Project may be established through a ministerial decree of MoEF or a decree signed by the Head of BSILHK representing MoEF.
- The Sibarjasramling managed by MoEF should be integrated into government procurement system that is managed by LKPP. The integration of both systems should be based on regulation, in this case a joint decree of MoEF (BSILHK) and LKPP. To expedite the process, BSILHK should prepare a proposal that can be used as trigger to prepare the joint decree.
- Sub-national Government should establish a steering structure to expedite the
 implementation of GPP/SPP (Steering Committee or Technical Committee). At initial
 stage, it could be started in pilot provinces of Scaling SCP Project. The SC/TC at subnational level could be established using governor regulation and led by Regional
 Secretary.

The following table describe the need assessment of capacity development to address Steering Structure and coordination of EL and GPP/SPP reform.

Table 4. Capacity Work Need Assessment of Capacity Development to Address Steering and Coordination of EL and GPP/SPP Reform

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development
1	Reactivation and Revitalization of Steering Committee at national level	Prepare a concept note of SC of EL and GPP/SPP establishment supported by technical assistance (TA) of GIZ	Concept Note of SC of EL and GPP/SPP establishment is available	Society: Enabling Frameworks

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development
		Establishment of SC of Scaling SCP Project	The ministerial regulation of MoEF or the decree of the Head of BSILHK concerning SC of Scaling SCP Project is available	Society: Enabling Frameworks
		Integration of concept note of SC establishment into the Perpres/Inpres of EL and GPP/SPP Implementation	SC of EL and GPP/SPP is integrated into Perpres/Inpres of EL and GPP/SPP Implementation	Society: Enabling Frameworks
2	Integration of Sibarjasramling into public procurement system	Preparation of proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP	Proposal of the integration of Sibarjasramling into Public Procurement System is available	Society: Enabling Frameworks
		Preparation of joint decree between LKPP and MoEF (BSILHK)	Joint decree between LKPP and MoEF (BSILHK) is signed and enacted	Society: Enabling Frameworks
		Integration of Sibarjasramling into Public Procurement System	Sibarjasramling is integrated with Public Procurement System	Society: Enabling Frameworks
		Preparation of technical guidelines of Sibarjasramling utilization	Standard Operating Procedure on Sibarjasramling in Public Procurement System is available	Organizational
3	Establishment of Steering Committee or Technical Committee at sub national level	Preparation of legal basis of SC/TC establishment at sub national level (pilot provinces)	Governor regulation of SC/TC establishment at sub-national level is available	Society: Enabling Frameworks
		Development of operational guidelines of SC/TC at sub-national level	Standard operating procedure of SC/TC at sub-national level is available	Organizational

To develop capacity development plan for responding the issue of steering structure and coordination of EL and GPP/SPP reform, further elaboration is carried out based on 5 questions (why, what, how, who and when). The results are described in the table below.

Table 5. Elaboration of proposed actions to issue on steering & coordination EL and GPP/SPP reform

Why	What	How	Who	When
Coordination and steering structure of EL and GPP/SPP need to be strengthened	Reactivate and revitalize the Steering Committee at national level	Prepare a concept note of SC of EL and GPP/SPP reactivation and revitalization supported by TA of GIZ	Leading: Bappenas, Pusfaster Other: Pusdarling, LKPP, MoT, MoF, MoHA, Mol, MCSME	Q3-Q4 2023
		Establishment of SC of Scaling SCP Project	BSILHK (Pusfaster)	Q4 2023
		Integration of concept note of SC establishment into the Perpres of EL and GPP/SPP Implementation	Bappenas, BSILHK (Pusfaster) and LKPP	Q2 2024
	Integration of Sibarjasramling and Procurement System managed by LKPP	Preparation of proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP	BSILHK (Pusfaster)	Q3 2023
		Preparation of joint decree between LKPP and MoEF (BSILHK)	BSILHK (Pusfaster) and LKPP	Q3 2023
		Integration of Sibarjasramling into Public Procurement System	BSILHK (Pusfaster) and LKPP	Q4 2023
		Preparation of technical guidelines of Sibarjasramling utilization	BSILHK (Pusfaster) and LKPP	Q2 2024
	Establishment of Steering Committee or Technical Committee at sub- national level	Preparation of legal basis of SC/TC establishment at sub national level (pilot provinces)	Provincial Government	Q4 2023
		Development of operational guidelines of SC/TC at sub-national level	Provincial Government	Q1 2024

3.3 Incentive and Disincentive Schemes

According to The UN Environment's 2017 Global Review of Sustainable Public Procurement, national government could boost the implementation of GPP/SPP, and potentially also applied to ecolabel, by providing various support as follows:

- Provide clear definition of GPP/SPP criteria and guidelines.
- Carry out relevel training.
- Provision of detailed information of GPP/SPP.
- Provide regulation to allow smooth integration in processes and procedures.
- Conduct networking/exchange events.
- Create integration by using software and tools.
- Provide instruments concerning reputational incentives.
- Undertake market engagement activities.
- Provide economic or fiscal incentives.

A key instrument that can encourage the implementation of ecolabel and GPP/SPP is clear incentive and disincentive schemes. Incentive and disincentive schemes for GPP/SPP can be divided into three categories: economic and fiscal, regulatory, and reputational. The system of financial and non-financial incentives needs to be designed effectively to encourage the competitiveness of the domestic industry, including small and medium enterprises, in business competition that has implemented ecolabel and GPP/SPP. In Indonesia, there are two ministries that can be play roles in arrange incentive and disincentive mechanisms related to GPP/SPP: Ministry of Finance and Ministry of Environment and Forestry.

In addition, incentive and disincentive schemes can also be implemented at sub-national level with initiative from local government. Similar with steering structure, the mandate to design incentive and disincentive schemes could be included into the Presidential Regulation on Presidential Instruction prepared for ecolabel and GPP/SPP guidelines.

Some recommendations for capacity development to address issues of incentive and disincentive schemes are:

- Prepare regulatory framework as legal basis to design incentive and disincentive schemes.
 Option of regulations that can be prepared are:
 - Regulation as a translation of the implementation of low carbon development initiative.
 - Regulations that describe the strategy for achieving NDC through the implementation of EL and GPP/SPP.
 - Perpres/Inpres on EL and GPP/SPP implementation.

- Determine categories of incentives and disincentives schemes (economic and fiscal, regulatory, and reputational) and define potential instruments respectively such as tax allowance, tax incentive, grant, subsidies, government guarantee, award, etc.
- Identify operating agencies that can play important role in incentives and disincentives schemes.
- Assess target group of environmentally friendly products (goods and services) that can be determined as object of incentive and disincentive.

The following table describes the need assessment of capacity development to address incentive and disincentive schemes.

Table 6. Capacity Work Need Assessment of Capacity Development to Address Incentive and Disincentive Schemes

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development
1	Preparation of regulatory framework as legal basis to design incentive and disincentive schemes	Develop a regulation to translate low carbon development initiative on EL and GPP/SPP	Basis regulation on the role of EL and GPP/SPP to contribute to low carbon initiative is available	Society: Enabling Frameworks
		Develop a regulation to describe strategy in achieving NDC on EL and GPP/SPP	Strategies on EL and GPP/SPP to achieve NDC target is available	Society: Enabling Frameworks
		Integration of incentive and disincentive schemes in the Perpres of EL and GPP/SPP implementation	Incentive and disincentive scheme topic is integrated into Perpres of EL and GPP/SPP implementation	Society: Enabling Frameworks
2	Determination of categories of incentives and disincentives schemes	Elaborate type of incentives/disincentives and potential instruments such as tax allowance, tax incentive, grant, subsidies, government guarantee, award	Type and instruments of incentive and disincentives are elaborated	Organizational, Individual
3	Identification of operating agencies	Elaborate potential operating agencies to apply incentives and disincentives	Potential operating agencies are identified	Organizational, Individual
4	Assessment of target group of environmentally friendly products	Elaborate target group of environmentally friendly products (goods and services) that can be determined as object of	Environmentally friendly products as a target of incentive and disincentive scheme are assessed	Organizational, Individual

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development
		incentive and disincentive scheme		

To develop capacity development plan for responding the issue of incentive and disincentive schemes, further elaboration is carried out based on 5 questions (why, what, how, who and when). The results are described in the table below.

Table 7. Elaboration of proposed actions to issue on incentive and disincentive scheme

Why	What	How	Who	When
Incentive and disincentive scheme need to be created	Incentive and disincentive scheme (financial and non-financial) need to be created	Develop a regulation to translate low carbon development initiative on EL and GPP/SPP	BSILHK	Q4 2023
		Develop a regulation to describe strategy in achieving NDC on EL and GPP/SPP	BSILHK	Q4 2023
		Integration of incentive and disincentive schemes in the Perpres of EL and GPP/SPP implementation	MoF and BSILHK	Q2 2024
	Determination of categories of incentives and disincentives schemes	Elaborate type of incentives/disincentives and potential instruments (both fiscal and non-fiscal) such as tax allowance, tax incentive, grant, subsidies, government guarantee, award	MoF and BSILHK	Q3 2024
	Identification of operating agencies	Elaborate potential operating agencies to	MoF and BSILHK	Q4 2024

Why	What	How	Who	When
		apply incentives and		
		disincentives		
	Assessment of	Elaborate target group	MoF, BSILHK,	Q4 2024
	target group of	of environmentally	Mol, MoT, MEMR	
	environmentally	friendly products		
	friendly products	(goods and services)		
		that can be determined		
		as object of incentive		
		and disincentive		

3.4 Expansion of Environmentally Friendly Products

The development of ecolabeling can be done by expanding the number of environmentally friendly goods and services. The expansion is related to several aspects such as environmentally friendly product standard, environmentally friendly schemes, product categories, and product registry and certification system. Some recommendation that can be proposed are:

- Mapping of new schemes and new products, including to identify new schemes from outside of the Ministry of Environment and Forestry.
- Compiling/curating product categories and schemes.
- Expanding categories and schemes review.
- Determining minimum standard criteria.
- Simplifying the certification process.
- Improving of product registration system.

The following table describes the need assessment of capacity development to the issue of expansion of environmentally friendly products.

Table 8. Capacity Work Need Assessment of Capacity Development to Address the Issue of Expansion of Environmentally Friendly Products

#	Topic	Proposed Actions	Expected Result	Type of Capacity Work Development	
1	Mapping of new schemes and new products	Identify new schemes and new products including those are identified byline ministries other than MoEF	New schemes and new products are identified	Organizational, Individual	
2	Compilation and curation of product categories and scheme	Elaborate potential product categories and schemes	Potential product categories and schemes are elaborated	Organizational, Individual	
3	Review of new and potential product categories and schemes	Expand the review of potential product categories and schemes	Review of new potential product categories and new schemes are carried out	Organizational, Individual	
4	Standard criteria for new environmentally friendly products	Develop minimum standard criteria for new products	Minimum standard criteria for new products are available	Organizational, Individual	
5	Simplification of certification process	Improve and simplify procedure of certification process	Procedure of certification process as improved and simplified	Organizational, Individual, Society	
6	Streamlining of product registration system	Improve and simplify product registration system	Registration system of environmentally friendly products is improved and simplified	Organizational, Individual, Society	
7	Creating a database and documentation system	Develop a database and documentation system	Database and documentation system related to EL and GPP/SPP is available	Organizational, Individual	

To develop capacity development plan for responding the issue of expansion of environmentally friendly products, further elaboration is carried out based on 5 questions (why, what, how, who and when). The results are described in the table below.

Table 9. Elaboration of proposed actions to issue on Issue of Expansion of Environmentally Friendly Products

Why	What	How	Who	When
Number of products with ecolabel needs to be increased	Mapping of new schemes and new products	Identify new schemes and new products including those are identified byline ministries other than MoEF	Pusfaster, Pusdarling	Q3 2023
	Compilation and curation of product categories and scheme	Elaborate potential product categories and schemes	Pusfaster, Pusdarling	Q4 2023
	Review of new and potential product categories and schemes	Expand the review of potential product categories and schemes	Pusfaster, Pusdarling	Q4 2023
	Standard criteria for new environmentally friendly products	Develop minimum standard criteria for new products	Pusfaster, Pusdarling	Q1 2024
	Simplification of certification process	Improve and simplify procedure of certification process	Pusfaster, Pusdarling	Q4 2023
	Streamlining of product registration system	Improve and simplify product registration system	Pusfaster, Pusdarling	Q4 2023
	Creating a database and documentation system	Create a database and documentation system related to EL and GPP/SPP development	Pusfaster, Pusdarling, LKPP	Q1 2024

4. Capacity Development Plan

The capacity development plan, which consists of programs and activities, is prepared based on the identification of key issues in the previous section. The plan is developed for each key institution that plays a role in the development of ecolabel and GPP/SPP as elaborated in section 2. The purpose of capacity development strategy is to identify interaction between programs and activities and between society (including the elements of cooperation systems and the development of enabling frameworks), organizational and individual levels of CD, and to harness synergies. The capacity development plan is developed by taking into account feedbacks from relevant stakeholders during Scaling SCP Planning Workshop in October 2022, Indonesia and Malaysia Peer-to-Peer Exchange in March 2022, Kick-off Meeting in April 2023 and Validation Workshop in July 2023.

The capacity development plan indicates areas of needs, objectives, suggested capacity measures, possible interventions with their instruments, such as technical assistance, workshops, training, stakeholder consultation, exchange program, and suggested institutions to respond identified capacity gaps. To some extent, the Scaling SCP could support the coordination and management (including part of the logistics) of some of those activities, e.g., Scaling SCP Project could facilitate exchange program to other partner countries such as Malaysia and the Philippines.

According to the three levels of capacity intervention, at the individual development level, most of the activities are related to preparing relevant officials to understand the detailed process of project criteria development. These include workshops on green product criteria, assessment on reduction of emissions, on-the-job support to understand legal and financial aspects, and site visits to exchange operational of ecolabel and GPP/SPP. Similarly, at the organizational level, activities continue to focus on the previous topics, although in this case they are aimed at creating capacities at a wider, organization level. Finally, at the society level that comprises of interorganizational cooperation and enabling framework, the activities proposed focus on identifying the relevant stakeholders involved in the project, establishing steering structure and developing effective channels of communication and information sharing among multiple agencies and levels of government. In summary, the Capacity Development Plan suggests activities that 1) allow the relevant institutions to learn about all aspects related to ecolabeling and G/SPP implementation, 2) create capacities to assess sustainability measures, 3) establish the appropriate network of stakeholders and 4) develop key information to deliver the current phase of the Project. The capacity development matrix is presented in the following table.

Table 10. Capacity Development Plan for BAPPENAS

Topic	#	Proposed	Expected	Type of	Methodological A	pproaches	Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within Bappenas	Agency		
1. Mainstream	ing Ecol	abel and GPP/SPF	in the Regulatory	Framework						
1.1 Utilization LTAP to steer the integration of EL & G/SPP into the national development planning process	1.1.1	Support the preparation of LTAP of EL and GPP/SPP	LTAP document is available for the development of EL and GPP/SPP	Society: Enabling Frameworks	- Technical Assistance (TA) - Discussion in the Steering Committee - FGD - Dissemination - Workshop	GPP/SPP Steering Committe e	Directorate of Environment	External: with BSILHK, LKPP, and other relevant ministries and institutions	Q3-Q4 2023	 TA is covered by GIZ. Process is led by BSILHK. SC of GPP/SPP is suggested to be reactivated. Focal person of each institution is assigned. Development partners (i.e., GIZ and others) can facilitate the process.
	1.1.2	Adoption of LTAP into Technocratic Draft of RPJMN	EL and GPP/SPP is integrated into Technocratic Draft of RPJMN	Society: Enabling Frameworks	- FGD - Stakeholder and Public consultation	Forum of national developm ent planning deliberations	Directorate of Environment	External: with all relevant ministries and institutions	Q4 2023- Q1 2024	Narrative input is prepared by BSILHK to be submitted to Bappenas.
	1.1.3	Preparation of Plan and Roadmap of EL and GPP/SPP development	Roadmap of GPP/SPP development is available	Society: Enabling Frameworks	 Consultant work Discussion in the SC FGD Dissemination Workshop 	GPP/SPP Steering Committe e	Directorate of Environment	External: with MoEF and LKPP	Q2-Q3 2024	 SC of GPP/SPP is suggested to be reactivated. Support of Development Partners is needed
1.2 Mainstreamin g EL and GPP/SPP into national and	1.2.1	Integration of EL and GPP/SPP into RPJMN and RPJMD	EL and GPP/SPP is integrated into RPJMN and	Society: Enabling Frameworks	- FGD - Stakeholder and Public consultation	Forum of national developm ent planning	Directorate of Environment	For national level: External: with all relevant	• 2023 (Technocr atic Draft of RPJMN)	LTAP is used as reference

Topic	#	Proposed	Expected	Type of	Methodological A	Approaches	Relevant	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within Bappenas	Agency		
sub-national planning documents	1.2.2	Integration of EL	RPJMD documents	Society: Enabling	- Discussion in		Directorate	ministries and institutions For subnational level: BAPPEDA and local governments units (OPD) For national	• 2024 (Preparati on of RPJMN)	
		and GPP/SPP into government action plan at national and sub-national level	GPP/SPP are integrated into government action plan at national and sub-national level	Frameworks	SC - FGD - Stakeholder and Public consultation - Dissemination	developm ent planning deliberatio ns at national and sub- national levels	of Environment	level: External: with all relevant ministries and institutions For subnational level: BAPPEDA and local governments units (OPD)	year for fiscal year Y+1	
1.3 Integration of EL & GPP/SPP into institutional planning documents	1.3.1	Integration of EL and GPP/SPP into strategic plan of all ministries and institutions at national and sub-national	EL and GPP/SPP are integrated into strategic plan of all ministries and institutions at national and sub-national	Society: Enabling Frameworks	 Preparation of Technical Guidelines FGD Stakeholder and Public consultation 	Forum of developm ent planning deliberations at national and subnational levels	Directorate of Environment	For national level: External: with all relevant ministries and institutions For subnational level: BAPPEDA and local	6 months after enactment of RPJMN and RPJMD	

Topic	#	Proposed	Expected	Type of	Methodological A	pproaches	Relevant	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within Bappenas	Agency		
								governments units (OPD)		
	1.3.2	Allocation of budget related to EL and GPP/SPP into national ministries	Budget related to EL and GPP/SPP is allocated into APBN	Society: Enabling Frameworks	Bilateral meeting between Bappenas and MoF	Forum of national developm ent planning deliberations	Directorate of Environment	External: with MoF	Q3 each year for fiscal year Y+1	
1.4 Formulation of KPI on EL and GPP/SPP at national level	1.4.1	Adoption of KPI on EL and GPP/SPP in ministries and agencies at national level	KPI regarding EL and GPP/SPP is stated in the Strategic Plan Document of ministries and agencies at national level	Society: Enabling Frameworks	 Preparation of Technical Guidelines Discussion in SC FGD Stakeholder and Public consultation Dissemination 	- SC of GPP/S PP - Forum of national develop ment plannin g delibera tion	Directorate of Environment	External: with all relevant ministries and institutions	6 months after enactment of RPJMN	
	1.4.2	Develop monitoring framework of KPI	Monitoring framework of KPI is available	Society: Enabling Frameworks	 Preparation of Technical Guidelines FGD Stakeholder and Public consultation Dissemination 	Forum of national developm ent planning deliberation	Directorate of Environment	External with auditing body	Q1 each year for implementa tion in the fiscal year Y-1	
1.5 Preparation Presidential Regulation (Perpres) or Presidential Instruction	1.5.1	Support the preparation of academic study (Concept Note)	Background Study for Perpres or Inpres development is available	Society: Enabling Frameworks	- Technical Assistance to prepare a concept note - FGD	SC of GPP/SPP	Directorate of Environment	External: with BSILHK & LKPP, The Coordinating Ministry of Maritime and	Q3-Q4 2023	Process is led by BSILHK with consultation to The Coordinating Ministry of Maritime and Investment Affairs

Topic	#	Proposed	Expected	Type of	Methodological A	pproaches	Relevant	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within Bappenas	Agency		
(Inpres) as the guideline for								Investment and Affairs		
ecolabel and GPP/SPP implementati on at national and subnational levels	1.5.2	Support the preparation of draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation	Draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is available	Society: Enabling Frameworks	- Discussion in SC of GPP/SPP - FGD - Workshop - Dissemination	SC of GPP/SPP	Directorate of Environment	External: with BSILHK & LKPP, The Coordinating Ministry of Maritime Investment and Affairs	Q4 2023- Q1 2024	Process is led by BSILHK with consultation to The Coordinating Ministry of Maritime Investment and Affairs
	1.5.3	Support the enactment of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation	Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is enacted	Society: Enabling Frameworks	- Discussion in SC of GPP/SPP - FGD - Workshop - Dissemination	SC of GPP/SPP	Directorate of Environment	External: with BSILHK & LKPP, The Coordinating Ministry of Maritime Investment and Affairs	Q3-Q4 2024	Process is led by BSILHK with consultation to The Coordinating Ministry of Maritime Investment and Affairs
2. Steering and	Coordin	nation of EL and G	PP/SPP Reform						<u>I</u>	
2.1 Reactivation and Revitalization of Steering Committee at national level	2.1.1	Support the preparation of a draft of SC of EL and GPP/SPP reactivation and revitalization	Draft of SC of EL and GPP/SPP reactivation and revitalization is available	Society: Enabling Frameworks	- Technical Assistance - Inter-ministerial Discussion - FGD - Workshop	SC of Scaling SCP Project for piloting at provincial level	Directorate of Environment	Co-lead with BSILHK External: With LKPP, MoT, MoF, MoHA, MoI, MCSME	Q3-Q4 2023	TA is supported by GIZ
	2.1.2	Support the establishment of SC of Scaling SCP Project for	SC of Scaling SCP Project for piloting at	Society: Enabling Frameworks	- Preparation of decision letter of the Head of BSILHK	N/A	Directorate of Environment	Co-lead with BSILHK	Q3 2023	SC of Scaling SCP Project for piloting at provincial level is considered as the

Topic	#	Proposed	Expected	Type of	Methodological A	pproaches	Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within Bappenas	Agency		
		piloting at provincial level	provincial level is established.		- Inter-ministerial Discussion			External: LKPP, MoT, MoF, MoHA, MoI, MCSME		embryo of National GPP/SPP SC
	2.1.3	Integration of SC reactivation and revitalization into the draft of Perpres or Inpres of EL and GPP/SPP Implementation	Reactivation and Revitalization of SC of EL and G/SPP is integrated into Perpres or Inpres of EL and GPP/SPP Implementation	Society: Enabling Frameworks	 Inter-ministerial Discussion FGD Workshop 	SC of Scaling SCP Project for piloting at provincial level	Directorate of Environment	Co-lead with BSILHK External: LKPP, MoT, MoF, MoHA, MoI, MCSME	Q1 2024	

An important component of capacity development of ecolabel and GPP/SPP implementation that can be carried out by Bappenas is the mainstreaming of ecolabel and GPP/SPP issue into various national development planning documents, which include the Mid-term National Development Plan (RPJMN), National Government Work Plans, and Strategic Plan (Renstra) of Ministries and other related Institutions. Inclusion of ecolabel and GPP/SPP aspects in the national development planning process and documents will provide a strong basis for determining key performance indicators and budget allocations in the implementation of ecolabel and GPP/SPP by relevant ministries and agencies.

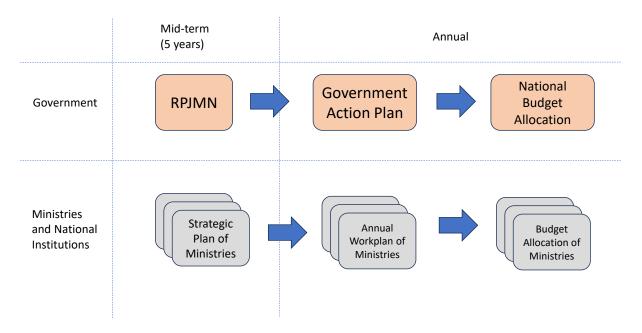


Figure 7. Brief description of the national development planning process

National development planning documents produced by Bappenas provide guidance for Subnational Governments, both at the provincial and district/city levels to develop sub-national development planning documents respectively. In this context, Ministry of Home Affairs provide direction at operational level for sub-national government to develop those documents. Mainstreaming of ecolabel and GPP/SPP in the RPJMN can be used as a reference and guidance by local governments to integrate ecolabel and GPP/SPP aspects in various local development plan documents. This could enable the implementation of ecolabels and GPP/SPP at the sub-national level.

As a ministry that has a coordinating function, Bappenas can play an important role in increasing synergies and aligning development activities regarding ecolabel and GPP/SPP carried out by related ministries and institutions. With its' coordinating function, Bappenas can support the reactivation and revitalization of the National Steering Committee of Ecolabel and GPP/SPP implementation at the national level. Additionally, the support of Bappenas on the

preparation of national guidelines for ecolabel and GPP/SPP implementation in the form of Perpres or Inpres.

As a part of national development planning process, Bappenas can also determine budget allocation related to ecolabel and GPP/SPP activities carried out by relevant ministries and national institutions. This function could be conducted together with the Ministry of Finance. However, final decision related to national budget allocation is under authority of national parliament.

At the vertical coordination topic, Bappenas could strengthen coordination between national and sub-national level through a solid communication with Bappeda both at provincial and district/city levels.

Table 11. Capacity Development for BSILHK

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
1. Mainstream	ing Ecol	abel and GPP/SPP in								
1.1 Utilization LTAP to steer the integration of EL & GPP/SPP into the national development planning process	1.1.1	Lead the preparation of LTAP of EL and GPP/SPP	LTAP document is available for the development of EL and GPP/SPP	Society: Enabling Frameworks	- Technical Assistance - Discussion in the Steering Committee - FGD - Disseminatio n - Workshop	GPP/SPP Steering Committee	Pusfaster , Pusdarlin g, and Balai	External: with Bappenas, LKPP and other relevant ministries and institutions	Q3-Q4 2023	 TA is covered by GIZ SC of GPP/SPP is suggested to be reactivated. Focal person of each institution is assigned Development partners (i.e., GIZ and others) can facilitate the process.
	1.1.2	Support the preparation of Plan and Roadmap of EL and GPP/SPP development	Roadmap of GPP/SPP development is available	Society: Enabling Frameworks	- Consultant work - Discussion in the SC - FGD - Dissemination - Workshop	GPP/SPP Steering Committee	Pusfaster and Pusdarlin g	External: with Bappenas, LKPP and other relevant ministries and institutions	Q2-Q3 2024	- SC of GPP/SPP is suggested to be reactivated - Support of Development Partners is needed
1.2 Mainstreamin g EL and GPP/SPP into national and sub-national planning documents	1.2.1	Support the integration of EL and GPP/SPP into government action plan at national and sub-national level	EL and GPP/SPP are integrated into government action plan at national and sub-national level	Society: Enabling Frameworks	 Discussion in SC FGD Stakeholder and Public consultation Dissemination 	Forum of developme nt planning deliberation s at national and subnational levels	Pusfaster	For national level: External: with all relevant ministries and institutions	Q2 each year for fiscal year Y+1	Process is led by Bappenas

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
								For sub- national level: BAPPEDA and local government s units (OPD)		
1.3 Formulation of KPI on EL and GPP/SPP at national level	1.3.1	Support the adoption of KPI on EL and GPP/SPP in ministries and agencies at national level	KPI regarding EL and GPP/SPP is stated in the Strategic Plan Document of ministries and agencies at national level	Society: Enabling Frameworks	 Preparation of Technical Guidelines Discussion in SC FGD Stakeholder and Public consultation Dissemination 	 SC of GPP/SPP Forum of national developme nt planning deliberatio n 	Pusfaster	External: with all relevant ministries and institutions	6 months after enactmen t of RPJMN	
	1.3.2	Support the development of monitoring framework of KPI	Monitoring framework of KPI is available	Society: Enabling Frameworks	 Preparation of Technical Guidelines FGD Stakeholder and Public consultation Dissemination 	Forum of national developme nt planning deliberation	Pusfaster	External with auditing body	Q1 each year for implemen tation in the fiscal year Y-1	
1.4 Preparation Presidential Regulation (Perpres) or Presidential Instruction (Inpres) as the guideline for	1.4.1	Lead the preparation of academic study (Concept Note)	Background Study for Perpres on Inpres development is available	Society: Enabling Frameworks	- Technical Assistance to prepare a concept note - FGD	SC of GPP/SPP	Pusfaster	External: with BSILHK & LKPP, The Coordinatin g Ministry of Maritime Investment and Affairs	Q3-Q4 2023	

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
ecolabel and GPP/SPP implementati on at national and subnational levels	1.4.2	Lead the preparation of draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation	Draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is available	Society: Enabling Frameworks	 Discussion in SC of GPP/SPP FGD Workshop Dissemination 	SC of GPP/SPP	Pusfaster	External: with BSILHK & LKPP, The Coordinatin g Ministry of Maritime Investment and Affairs	Q4 2023- Q1 2024	
	1.4.3	Lead the enactment of Perpres or Inpres as the guideline for ecolabel and GP/SPP implementation	Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is enacted	Society: Enabling Frameworks	- Discussion in SC of GPP/SPP - FGD - Workshop - Dissemination	SC of GPP/SPP	Pusfaster	External: with BSILHK & LKPP, The Coordinatin g Ministry of Maritime Investment and Affairs	Q3-Q4 2024	
2. Steering and	Coordin	ation of EL and GPP/	SPP Reform			1			<u> </u>	
2.1 Reactivation and Revitalization of Steering Committee at national level	2.1.1	Lead the preparation of a draft of SC of EL and GPP/SPP reactivation and revitalization	Draft of SC of EL and GPP/SPP reactivation and revitalization is available	Society: Enabling Frameworks (Interorganizatio nal cooperation)	- Technical Assistance - Inter- ministerial Discussion - FGD - Workshop	SC of Scaling SCP Project for piloting at provincial level	Pusfaster	External: With LKPP, MoT, MoF, MoHA, MoI, MCSME	Q3-Q4 2023	TA is supported by GIZ
	2.1.2	Lead the process of establishment of SC of Scaling SCP Project for piloting at provincial level	SC of Scaling SCP Project for piloting at provincial level are established	Society: Enabling Frameworks (Interorganizatio nal cooperation)	 Preparation of decision letter of the Head of BSILHK Inter- ministerial Discussion 	N/A	Pusfaster	External: LKPP, MoT, MoF, MoHA, MoI, MCSME	Q3 2023	SC of Scaling SCP Project for piloting at provincial level is considered as the embryo of National GPP/SPP SC

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
	2.1.3	Integration of SC reactivation and revitalization into the draft of Perpres or Inpres of EL and GPP/SPP Implementation	Reactivation and Revitalization of SC of EL and GPP/SPP is integrated into Perpres or Inpres of EL and GPP/SPP Implementation	Society: Enabling Frameworks	Inter- ministerial Discussion FGD Workshop	SC of Scaling SCP Project for piloting at provincial level	Pusfaster	External: LKPP, MoT, MoF, MoHA, MoI, MCSME	Q1 2024	
2.2 Integration of Sibarjasramli ng and Procurement System managed by LKPP	2.2.1	Preparation of proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP	Proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP is available. The integration can be to general e-catalogue or sectoral e-catalogue of LKPP.	Society: Enabling Frameworks (Interorganizatio nal cooperation)	- Technical Assistance - FGD - Workshop	SC of Scaling SCP Project for piloting at provincial level	Pusfaster	LKPP	Q3 2023	
	2.2.2	Preparation of joint decree between LKPP and MoEF (BSILHK)	Joint decree between LKPP and MoEF (BSILHK) is signed	Society: Enabling Frameworks (Interorganizatio nal cooperation)	Bilateral meeting	SC of Scaling SCP Project for piloting at provincial level	Pusfaster	LKPP	Q3 2023	
	2.2.3	Integration of Sibarjasramling into Public Procurement System	Sibarjasramling is integrated into public procurement system managed by LKPP	Society: Enabling Frameworks (Interorganizatio nal cooperation)	High level bilateral meeting	SC of Scaling SCP Project for piloting at provincial level	Pusfaster	LKPP	Q4 2023	
	2.2.4	Preparation of technical guidelines of Sibarjasramling utilization	Standard Operating Procedure of the utilization of Sibarjasramling in the public	Society: Enabling Frameworks	Bilateral meeting Technical Assistance Workshop	SC of Scaling SCP Project for piloting	Pusfaster	LKPP	Q2 2024	

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
			procurement system is available		Peer exchange	at provincial level				
3.Incentive and	Disince	ntive Scheme							•	
3.1 Preparation of regulatory framework as a legal basis to design incentive and disincentive schemes	3.1.1	Develop a regulation regarding low carbon development initiative on EL and GPP/SPP	Regulatory framework on low carbon development initiative on EL and GPP/SPP	Society: Enabling Frameworks	 Consultant work Expert input Workshop 	Secretariat of Low Carbon Developme nt Initiative	Pusfaster	Internal with DG of Climate Change (DGCC) External with Bappenas	Q4 2023	
	3.1.2	Develop a regulation to describe NDC achievement strategy in EL and GPP/SPP	NDC achievement strategy on EL and GPP/SPP is available	Society: Enabling Frameworks	• FGD • Workshop	Secretariat of Low Carbon Developme nt Initiative	Pusfaster	Internal with DGCC External with Bappenas	Q1 2024	
	3.1.3	Integration of incentive/disincentive e into Perpres or Inpres of EL and GPP/SPP Implementation	Incentive/disincentive is integrated into Perpres or Inpres of EL and GPP/SPP Implementation	Society: Enabling Frameworks	Technical Assistance FGD Workshop	Secretariat of Low Carbon Developme nt Initiative	Pusfaster	Bappenas and LKPP	Q2 2024	TA is supported by development partners (i.e., GIZ, UNDP, atc.)
3.2 Determination of incentive and disincentive scheme category	3.2.1	Elaboration of type of incentive and disincentive instruments e.g. tax allowance, tax incentive, grant, subsidy, guarantee, and award	Type of incentive and disincentive instruments are elaborated	Society: Enabling Frameworks	Technical Assistance Expert input FGD Workshop	National SC for GPP/SPP and Secretariat of Low Carbon Developme nt Initiative	Pusfaster	MoF, Bappenas and LKPP	Q3 2024	TA is supported by development partners (i.e., GIZ, UNDP, atc.)

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
3.3 Identification of implementing agency of incentive and disincentive	3.3.1	Elaboration of potential agency to implement incentive and disincentive on EL and GPP/SPP	Potential agency to implement incentive and disincentive on EL and GPP/SPP is elaborated	Society: Enabling Frameworks	Technical Assistance Expert input Exchange program FGD Workshop	National SC for GPP/SPP and Secretariat of Low Carbon Developme nt Initiative	Pusfaster	MoF, Bappenas and LKPP	Q4 2024	Elaboration should cover national level and sub-national level
3.4 Assessment of target group of environmentall y friendly products related to incentive and disincentive	3.4.1	Elaboration of target group of environmentally friendly products (goods and services) as the objects of incentive and disincentive	Target group of environmentally friendly products (goods and services) as the objects of incentive and disincentive are elaborated	Society: Enabling Frameworks	Expert inputExchange programFGDWorkshop	National SC for GPP/SPP and Secretariat of Low Carbon Developme nt Initiative	Pusfaster	MoF, Bappenas and LKPP	Q4 2024	
4.Expansion of	Environ	mentally Friendly Pro	ducts							
4.1 Mapping of new schemes and new products	4.1.1	Identification of new schemes and new products that are indicated by all ministries	New schemes and new products are identified	Organizational	Expert input FGD Workshop	National SC for GPP/SPP	Pusfaster , Pusdarlin g	Relevant ministries	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products
4.2 Compilation and curation of potential new schemes and product categories	4.2.1	Elaboration of potential new schemes and product categories	Potential new schemes and product categories are elaborated	Individual and Organizational	Expert input FGD Training Workshop Peer exchange	National SC for GPP/SPP	Pusfaster , Pusdarlin g	Relevant ministries and BSN	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products
4.3 Review of potential new schemes and product	4.3.1	Expand the review of potential new schemes and	Review of potential new schemes and	Individual and Organizational	Expert input FGD Training	National SC for GPP/SPP	Pusfaster ,	Relevant ministries and BSN	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperatin	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within BSILHK	g Agency		
categories is conducted		product categories is conducted	product categories is conducted		WorkshopPeer exchange		Pusdarlin g			
4.4 Determination of Standard criteria for new environmentall y friendly products	4.4.1	Develop standard criteria for new environmentally friendly products	Standard criteria for new environmentally friendly products are available	Individual and Organizational	Expert inputFGDTrainingWorkshopPeer exchange	National SC for GPP/SPP	Pusfaster , Pusdarlin g	Relevant ministries and BSN	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products
4.5 Simplification of certification process for new products	4.5.1	Improve and simplify certification process for new products	Certification process for new products is improved and simpler	Individual and Organizational	Expert inputFGDTrainingWorkshopPeerexchange	National SC for GPP/SPP	Pusfaster , Pusdarlin g	Relevant ministries	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products
4.6 Improvement of the quality of Registry system for environmentall y friendly products	4.6.1	Improve the quality of Registry system for environmentally friendly products	Registry system for environmentally friendly products is improved and simpler	Individual and Organizational	 Expert input FGD Training Workshop Peer exchange 	National SC for GPP/SPP	Pusfaster , Pusdarlin g	Relevant ministries	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products
4.7 Development of database and documentation system of EL and GPP/SPP	4.7.1	Create and improve database and documentation system of EL and GPP/SPP is available	Database and documentation system of EL and GPP/SPP is available	Organizational and enabling environment	Expert input FGD Training Workshop	National SC for GPP/SPP	Pusfaster , Pusdarlin g	LKPP	Q3-Q4 2023	Supported by PPBN via GIZ for 10 products

As an institution that has the mandate and responsibility to implement ecolabel and GPP/SPP, BSILHK has an interest in ensuring the success of relevant capacity development. The main priority of BSILHK in the ecolabel and GPP/SPP capacity development agenda is to reactivate and revitalize the Steering Committee at national level that consists of various ministries and national institutions. The existing Steering Committee needs to be strengthened through establishing a more solid structure, increasing its' duties and functions and expanding its' membership through the involvement of ministries and agencies related to ecolabel development and GPP/SPP. Ideally, the legal basis of reactivation and revitalization of national SC should be binding various ministries, e.g., integrated into Perpres or Inpres of EL and GPP/SPP implementation.

In addition, to optimize the performance of the Scaling SCP project, it is necessary to consider the establishment of a project steering committee. The establishment of the project SC can be carried out by issuing a decree of the head of BSILHK. The Scaling SCP SC can be considered as a forerunner to the revitalization of the National Ecolabel and GPP/SPP Steering Committee. The Scaling SCP SC can be used as a communication platform to discuss the development of ecolabel and GPP/SPP that involved various stakeholders.

Moreover, the preparation the guideline for ecolabel and GPP/SPP implementation at national and sub-national levels in the form of Presidential Regulation (Perpres) or Presidential Instruction (Inpres) is also the priority of BSILHK. It is suggested that the regulatory development process also involves the Coordinating Ministry of Maritime Affairs and Investment. The existence of presidential regulations or presidential instructions can provide strong formal references or guidelines to expand the implementation of ecolabel and GPP/SPP not only for ministries/agencies at the national level, but also at the sub-national level.

Another capacity development activity that can be considered as a low hanging fruit and can have a significant impact is the integration of Sibarjasramling into the public procurement system managed by LKPP. It can be materialized by a joint decree between MoEF (represented by Head of BSILHK) and the Head of LKPP. This integration can facilitate and expand the implementation of GPP/SPP related to government spending at the central and regional levels.

Besides, the expansion of environmentally friendly products is also important. It could be done by support from PPBN via GIZ in the following activities:

- Mapping of new schemes and new products
- Compilation and curation of potential new schemes and product categories
- Review of potential new schemes and product categories is conducted

- Determination of Standard criteria for new environmentally friendly products
- Simplification of certification process for new products
- Improvement of the quality of Registry system for environmentally friendly products
- Development of database and documentation system of EL and GPP/SPP

BSILHK could also contribute to the mainstreaming of EL and GPP/SPP issue into RPJMN by preparing narrative input during the development of RPJMN technocratic draft that is led by Bappenas. Moreover, BSILHK could prepare a comprehensive scientific background to create incentive and disincentive schemes to be submitted to MoF.

Table 12. Capacity Development Plan for LKPP

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within LKPP	Agency		
1. Mainstreamin										
1.1 Utilization LTAP to steer the integration of EL & GPP/SPP into the national development planning process	1.1.1	Support the preparation of LTAP of EL and GPP/SPP	LTAP document is available for the development of EL and GPP/SPP	Society: Enabling Frameworks	 Technical Assistance Discussion in the Steering Committee FGD Dissemination Workshop 	GPP/SPP Steering Committee	Responsible Unit for SPP	External: with Bappenas, BSILHK and other relevant ministries and institutions	Q3-Q4 2023	 TA is covered by GIZ SC of GPP/SPP is suggested to be reactivated. Focal person of each institution is assigned. Development partners (i.e., GIZ and others) can facilitate the process.
	1.1.2	Support the preparation of Plan and Roadmap of EL and GPP/SPP development	Roadmap of GPP/SPP development is available	Society: Enabling Frameworks	 Consultant work Discussion in the SC FGD Dissemination Workshop 	GPP/SPP Steering Committee	Responsible Unit for SPP	External: with Bappenas, BSILHK and other relevant ministries and institutions	Q2-Q3 2024	- SC of GPP/SPP is suggested to be reactivated - Support of Development Partners is needed
1.2 Mainstreaming EL and GPP/SPP into national and sub-national	1.2.1	Support the integration of EL and GPP/SPP into government action plan at national and	EL and GPP/SPP are integrated into government action plan at national and	Society: Enabling Frameworks	 Discussion in SC FGD Stakeholder and Public consultation Dissemination 	Forum of development planning deliberations at national and sub-	Responsible Unit for SPP	For national level: External: with all relevant ministries	Q2 each year for fiscal year Y+1	Process is led by Bappenas

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within LKPP	Agency		
planning documents		sub-national level	sub-national level			national levels		and institutions For subnational level: BAPPEDA and local governments units (OPD)		
1.3 Formulation of KPI on EL and GPP/SPP at national level	1.3.1	Support the adoption of KPI on EL and G/SPP in ministries and agencies at national level	KPI regarding EL and GPP/SPP is stated in the Strategic Plan Document of ministries and agencies at national level	Society: Enabling Frameworks	- Preparation of Technical Guidelines - Discussion in SC - FGD - Stakeholder and Public consultation	- SC of GPP/SPP Forum of national development planning deliberation	Responsible Unit for SPP	External: with all relevant ministries and institutions	6 months after enactment of RPJMN	
	1.3.2	Support the development of monitoring framework of KPI	Monitoring framework of KPI is available	Society: Enabling Frameworks	 Preparation of Technical Guidelines FGD Stakeholder and Public consultation Dissemination 	Forum of national development planning deliberation	Responsible Unit for SPP	External with auditing body	Q1 each year for implementation in the fiscal year Y-1	
1.4 Preparation Presidential Regulation (Perpres) or Presidential Instruction (Inpres) as the	1.4.1	Support the preparation of academic study (Concept Note)	Background Study for Perpres on Inpres development is available	Society: Enabling Frameworks	- Technical Assistance to prepare a concept note - FGD	SC of GPP/SPP	Responsible Unit for SPP	External: with BSILHK & Bappenas the Coordinating Ministry of Maritime	Q3-Q4 2023	

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within LKPP	Agency		
guideline for ecolabel and								Affairs and Investment		
GPP/SPP implementation at national and sub-national levels	1.4.2	Support the preparation of draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation	Draft of Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is available	Society: Enabling Frameworks	 Discussion in SC of GPP/SPP FGD Workshop Dissemination 	SC of GPP/SPP	Unit for SPP	External: with BSILHK & Bappenas, the Coordinating Ministry of Maritime Affairs and Investment	Q4 2023- Q1 2024	
	1.4.3	Support the enactment of Perpres or Inpres as the guideline for ecolabel and G/SPP implementation	Perpres or Inpres as the guideline for ecolabel and GPP/SPP implementation is enacted	Society: Enabling Frameworks	Discussion in SC of GPP/SPPFGDWorkshopDissemination	SC of GPP/SPP	Responsible Unit for SPP	External: with BSILHK & Bappenas, the Coordinating Ministry of Maritime Affairs and Investment	Q3-Q4 2024	
2. Steering and C	oordina	ation of EL and G	PP/SPP Reform							
2.1 Reactivation and Revitalization of Steering Committee at national level	2.1.1	Support the preparation of a draft of SC of EL and G/SPP reactivation and revitalization	Draft of SC of EL and G/SPP reactivation and revitalization is available	Society: Enabling Frameworks (Interorganizational cooperation)	- Technical Assistance - Inter-ministerial Discussion - FGD - Workshop	SC of Scaling SCP Project for piloting at provincial level	Responsible Unit for SPP	External: With BSILHK, MoT, MoF, MoHA, MoI, MCSME	Q3-Q4 2023	TA is supported by GIZ
	2.1.2	Support the process of establishment of Scaling SCP Project	SC of Scaling SCP Project is established	Society: Enabling Frameworks (Interorganizational cooperation)	- Preparation of decision letter of the Head of BSILHK	N/A	Responsible Unit for SPP	External: BSILHK, MoT, MoF,	Q3 2023	SC of Scaling SCP Project is considered as the embryo of

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	Unit within LKPP	Agency		
		Steering Committee			- Inter-ministerial Discussion			MoHA, MoI, MCSME		National GPP/SPP SC
	2.1.3	Support the integration of SC reactivation and revitalization into the draft of Perpres or Inpres of EL and GPP/SPP Implementation	Reactivation and revitalization of SC of EL and G/SPP is integrated into Perpres or Inpres of EL and GPP/SPP Implementation	Society: Interorganizational cooperation	 Inter-ministerial Discussion FGD Workshop 	SC of Scaling SCP Project for piloting at provincial level	Responsible Unit for SPP	External: BSILHK, MoT, MoF, MoHA, MoI, MCSME	Q1 2024	
2.2 Integration of Sibarjasramling and Procurement System managed by LKPP	2.2.1	Preparation of proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP	Proposal to integrate Sibarjasramling into Public Procurement System managed by LKPP is available. The integration can be to general ecatalogue or sectoral ecatalogue of LKPP.	Society: Enabling Frameworks (Interorganizational cooperation)	- Technical Assistance - FGD - Workshop	SC of Scaling SCP Project	Responsible Unit for SPP	BSILHK	Q3 2023	
	2.2.2	Preparation of joint decree between LKPP and MoEF (BSILHK)	Joint decree between LKPP and MoEF (BSILHK) is signed	Society: Interorganizational cooperation	Bilateral meeting	SC of Scaling SCP Project	Responsible Unit for SPP	BSILHK	Q3 2023	
	2.2.3	Integration of Sibarjasramling into Public	Sibarjasramling is integrated into public	Society: Enabling Frameworks	High level bilateral meeting	SC of Scaling SCP Project	Responsible Unit for SPP	BSILHK	Q4 2023	

Topic	#	Proposed	Expected	Type of	Methodological	Approaches	Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within LKPP	Agency		
		Procurement System	procurement system managed by LKPP.	(Interorganizational cooperation)						
	2.2.4	Preparation of technical guidelines of Sibarjasramling utilization	Standard Operating Procedure of the utilization of Sibarjasramling in the public procurement system is available	Society: Enabling Frameworks	 Bilateral meeting Technical Assistance Workshop Peer exchange 	SC of Scaling SCP Project	Responsible Unit for SPP	BSILHK	Q2 2024	

As an institution that has authority to regulate and to provide guideline on the public procurement of goods and services at national and sub-national level, LKPP can play a significant role in developing the capacity of GPP/SPP implementation. Some priorities of LKPP regarding capacity development of ecolabel and GPP/SPP implementation are as follows:

- Support the reactivation and revitalization of the national level steering committee for ecolabel and GPP/SPP implementation. With its' expertise and experiences, LKPP could enrich insight of other SC members that include various ministries and national institutions.
- Support the preparation the guideline for ecolabel and GPP/SPP implementation at national and sub-national levels in the form of Presidential Regulation (Perpres) or Presidential Instruction (Inpres). As mentioned above, the presidential regulations or presidential instructions can provide strong formal references or guidelines to expand the implementation of ecolabel and GPP/SPP not only for ministries/agencies at the national level, but also at the sub-national level. This effort is in line with the plan of LKPP in improving Perpres number 12/2021 on the procurement of government goods and services, particularly the part of sustainable public procurement in terms of definition and scope of dimension.
- Together with BSILHK, to prepare the integration of Sibarjasramling into the public procurement system managed by LKPP. As stated earlier, the integration can be realized by signing a joint decree between MoEF and LKPP. This integration can facilitate and expand the implementation of GPP/SPP related to government spending at the central and regional levels.
- Regarding the implementation of the piloting under Scaling SCP Project in Indonesia, LKPP can act as the coordinator of pilot project implementation in 5 selected provinces. In the context of Scaling SCP Project, the mandate could be provided by a letter of the Head of BSILHK. To expedite the pilot project implementation in selected provinces, the establishment of pilot project steering committee is recommended by the involvement of representatives of pilot provinces. The existing SC for P3DN-TKDN at provincial level could be considered to be expanded for supervising Scaling SCP pilot activities (Technical Committee).

Table 13. Capacity Development Plan for Local Government

Topic	#	Proposed	Expected	Type of	Methodological Approaches		Relevant Unit	Cooperating	Timeline	Remarks
		Actions	Result	CD	Activities	Proposed Platform	within Local Government	Agency		
1. Mainstreaming Ecolabel and GPP/SPP in the Regulatory Framework										
1.1 Mainstreaming EL and GPP/SPP into national and sub-national planning documents	1.1.1	Integration of EL and GPP/SPP into RPJMD	EL and GPP/SPP is integrated into RPJMD	Society: Enabling Frameworks	 Consolidation stakeholders' discussion FGD Public consultation 	Forum of local development planning deliberations (Musrenbangda Forum) for subnational level	BAPPEDA, Environmental Office (DLH) Bureau of Procurement	All local government units (OPD) National level: with Bappenas, BSILHK and LKPP	Linked with RPJMD preparation at each local government	RPJMN is used as reference
1.2 Integration of EL & GPP/SPP into institutional planning documents	1.2.1	Integration of EL and GPP/SPP into strategic plan of all institutions at sub-national	EL and GPP/SPP is integrated into strategic plan of all institutions at sub-national level	Society: Enabling Frameworks	 Consolidation stakeholders' discussion FGD Dissemination workshop 	Sub-National Forum for development planning deliberations (Musrenbangda)	BAPPEDA, Environmental Office (DLH) Bureau of Procurement	All local government units (OPD)	6 months after enactment of RPJMN and RPJMD	
	1.2.2	Allocation of budget related to EL and GPP/SPP into all relevant units in LG	Budget related EL and GPP/SPP is allocated in all relevant units	Society: Enabling Frameworks	Discussion in the Sub-national budget team (Bappeda and Bureau of Finance)	Forum SKPD	Bappeda and Bureau of Finance National level: Bappenas and MoHA	All local government units (OPD)	Q3 each year for fiscal year Y+1	
1.3 Formulation of KPI on EL and GPP/SPP at sub-national	1.3.1	Adoption of KPI on EL and GPP/SPP in ministries and agencies at national level	KPI regarding EL and GPP/SPP is stated in the Strategic Plan Document of all relevant	Society: Enabling Frameworks	- Preparation of Technical Guidelines - Discussion in SC - FGD	TC of GPP/SPP At sub-national level	BAPPEDA, Environmental Office (DLH) Bureau of Procurement	All local government units (OPD)	6 months after enactment of RPJMD	

Topic	#	Proposed Actions	Expected Result	Type of CD	Methodological Approaches		Relevant Unit	Cooperating	Timeline	Remarks
					Activities	Proposed Platform	within Local Government	Agency		
			institutions at sub-national level		 Stakeholder and Public consultation Dissemination 					
	1.3.2	Develop monitoring framework of KPI	Monitoring framework of KPI is available	Society: Enabling Frameworks	 Preparation of Technical Guidelines FGD Stakeholder and Public consultation Dissemination 	Sub-National Forum for development planning deliberations (Musrenbangda)	BAPPEDA, Environmental Office (DLH) Bureau of Procurement	Auditing body	Q1 each year for implementation in the fiscal year Y-1	
2. Steering and	Coordin	ation of EL and	GPP/SPP Refori	m	l					
Establishment of Steering Committee or Technical Committee at sub-national level		Preparation of legal basis of SC/TC establishment at sub national level (pilot provinces)	legal basis of SC/TC establishment at sub national level (pilot provinces) is available	Society: Enabling Frameworks	Preparation of Technical Guidelines FGD Stakeholder and Public consultation Dissemination	SC of GPP/SPP	Bappeda and Bureau of Procurement	LKPP	Q4 2023	
		Development of operational guidelines of SC/TC at sub-national level	operational guidelines of SC/TC at sub-national level are available	Organizational	- Technical Assistance - FGD - Stakeholder and Public consultation Dissemination	SC of GPP/SPP	Bappeda and Bureau of Procurement	BSILHK and LKPP	Q1 2024	

Similar with the case at national level, an important component of capacity development of ecolabel and GPP/SPP implementation is the mainstreaming of ecolabel and GPP/SPP issue into various development planning documents at sub-national level (provincial and district/municipal), which include the Mid-term Sub-National Development Plan (RPJMD), Local Government Work Plans, and Strategic Plan (Renstra) of Local Government Institutions. Inclusion of ecolabel and GPP/SPP aspects in the sub-national development planning process and documents will provide a strong basis for determining key performance indicators and budget allocations in the implementation of ecolabel and GPP/SPP by relevant agencies respectively.

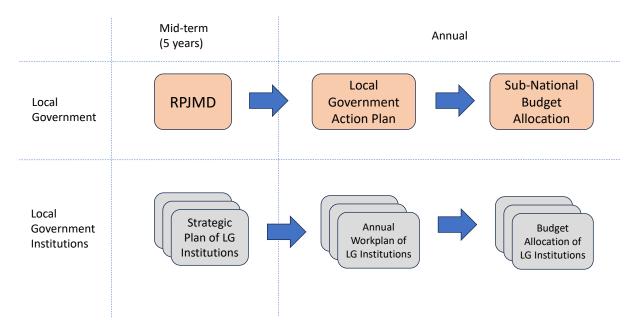


Figure 8. Brief description of the sub-national development planning process

The other priority of Local Government in the ecolabel and GPP/SPP capacity development agenda is to establish a steering committee or a technical committee at sub-national level. As mentioned earlier, the function of existing SC for P3DN-TKDN at provincial level could be expanded to be the SC or TC at provincial level. It can be used a communication platform to improve and expand ecolabel and particularly GPP/SPP implementation at sub-national level. To create a more powerful SC or TC, the organizational structure should be led by Regional Secretary (Sekda).

5. Closing

Capacity work development is important to strengthen the implementation of ecolabel and GPP/SPP in Indonesia. Therefore, GIZ through the Scaling SCP Project contribute to prepare capacity development plan applied to key institutions in the implementation of ecolabel and GPP/SPP that comprises Bappenas, MoEF (BSILHK), LKPP, and Sub-national Government (provincial and district/municipal).

Based on the discussion with representatives of key institutions, several key issues are identified as follows:

- Mainstreaming Ecolabel and G/SPP in the Regulatory Framework.
- Steering and coordination of ecolabel and GPP/SPP reform.
- Incentive and disincentive scheme.
- Expansion of environmentally friendly products.

To address the issue of mainstreaming ecolabel and G/SPP in the regulatory framework, some recommendations are suggested as follows:

- 1. Utilize the Long-Term Action Plan (LTAP) to steer the integration of Ecolabel and GPP/SPP into the national and/or sub-national development planning process.
- 2. Bappenas and Bappeda shall mainstream ecolabel and GPP/SPP into the development planning documents at both the national and sub-national levels. The terms of GPP and SPP should be clarified to provide clear guidelines for further coordination and implementation.
- 3. Relevant ministries and agencies at sub-national levels shall integrate the topic of ecolabel and GPP/SPP into institutional planning documents.
- 4. Medium term (5 years) and annual Key Performance Indicators (KPI) shall be formulated by ministries and sub-national governments.
- 5. Clear guidelines for ecolabel and GPP/SPP implementation should be provided by key institutions by issuance of Presidential Regulation or Presidential Instruction.
- 6. Communication, Education, Awareness at institutional level on GPP/SPP and EL shall be provided.

Moreover, some recommendations to address the issue of steering and coordination of ecolabel and GPP/SPP reform are:

 Reactivation and revitalization of Steering Committee (SC) for ecolabel and GPP/SPP implementation at national level. Meanwhile, in line with Scaling SCP project implementation, the SC of Scaling SCP Project for pilot activities at provincial level may be established.

- The Sibarjasramling managed by MoEF should be integrated into government procurement system that is managed by LKPP. The integration of both systems should be based on a joint decree of MoEF (BSILHK) and LKPP.
- Sub-national Government should establish a steering structure to expedite the implementation of GPP/SPP (Steering Committee or Technical Committee). At initial stage could be started in pilot provinces of Scaling SCP Project.

To address the issue of incentive and disincentive schemes, some following actions are proposed that includes:

- Prepare regulatory framework as legal basis to design incentive and disincentive schemes.
- Determine categories of incentives and disincentives schemes (economic and fiscal, regulatory, and reputational) and define potential instruments respectively.
- Identify operating agencies that can play important role in incentives and disincentives schemes.
- Assess target group of environmentally friendly products (goods and services) that can be determined as object of incentive and disincentive.

Finally, some recommendations to address the issue of expansion of environmentally friendly products are:

- Mapping of new schemes and new products, including to identify new schemes from outside of the Ministry of Environment and Forestry.
- Compiling/curating product categories and schemes.
- Expanding categories and schemes review.
- Determining minimum standard criteria.
- Simplifying the certification process.
- Improving of product registration system.

Various programs and activities related to capacity development for implementing ecolabel and GPP/SPP have been identified in the previous section. Several priorities that need to be carried out in the near future as "low hanging fruit activities" are as follows:

BSILHK assisted by GIZ should prepare a narrative input to be submitted to Bappenas
to propose the integration of ecolabel and GPP/SPP aspects into the technocratic
document of RPJMN. It will have a significant impact in supporting the mainstreaming
of ecolabel and GPP/SPP in national development.

- BSILHK and GIZ accelerate the finalization of the Long Term Action Plan (LTAP) for further input to the preparation of RPJMN.
- BSILHK should organize inter-ministerial meetings to accelerate the reactivation and revitalization of the National Steering Committee of Ecolabel and GPP/SPP implementation. It is necessary to decide the form of regulation as the basis for the reactivation and revitalization of the steering committee.
- BSILHK issues a decree to establish the Steering Committee for the implementation
 of the Scaling SCP project. In line with that, BSILHK also needs to send a letter to
 LKPP to coordinate the implementation of GPP/SPP pilot project at provincial level.
 Furthermore, LKPP can send a letter to the Local Government in pilot provinces to
 start activities. Local Government in pilot provinces can use the letter as a basis for
 establishing a steering structure (steering committee or technical committee) at the
 provincial level.
- BSILHK prepares a letter for submitting a proposal to LKPP to integrate Sibarjasramling into the public procurement system managed by LKPP. Furthermore, BSILHK and LKPP organize a meeting to prepare a joint decree that will be signed by the Head of LKPP and the Head of BSILHK (representing the Minister of Environment and Forestry) as the basis for the integration.
- BSILHK, GIZ and PPBN hold a meeting to design a capacity building program aimed at addressing the expansion of environmentally friendly products.
- BSILHK, LKPP and Bappenas assisted by GIZ prepare a concept note for drafting a
 presidential regulation or presidential instruction as a guide and reference for
 implementing ecolabel and GPP/SPP. The concept note will then be discussed jointly
 with the relevant ministries and relevant local governments to finalize the draft of
 presidential regulation or presidential instruction.
- BSILHK, supported by GIZ or other development partners, prepare a concept note regarding incentive and disincentive schemes. The concept note is then discussed with the Ministry of Finance and other relevant ministries to find appropriate incentive and disincentive schemes to support the development of ecolabel and GPP/SPP.

In addition to the proposed programs and activities presented in the previous section, there are also other capacity development activities suggested by representatives of key institutions that can be considered as long-term target as follows:

a. Single ecolabel

To accommodate various environmental and green labels on the market, in the long-term, it is necessary to establish the single environmentally friendly label. Referring to the results of the exchange program to Malaysia, MyHIJAU which is implemented in Malaysia can be used as

an example for integrating various labels into one label that is valid nationally. BSILHK, supported by development partners, could prepare a concept note of single ecolabel application that covers among others ecolabeling system and procedure, institutional arrangement, product certification, product registration, voluntary declaration system, etc.

b. Small and Medium Enterprise Involvement

Small and medium enterprises (SMEs) play a significant role in the national economy growth. Therefore, the development of ecolabel and GPP/SPP needs to consider the readiness of SMEs to be able to fulfil the set requirements. SME capacity development is very important to ensure that ecolabel and GPP/SPP requirements can be met. In addition, special incentive/disincentive instruments for SMEs are also needed. Ministry of Cooperative and SME should take role to provide capacity development for SMEs.

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ANNEX I. DOCUMENTATION

Scaling SCP Planning Workshop in October 2022, Bali Indonesia





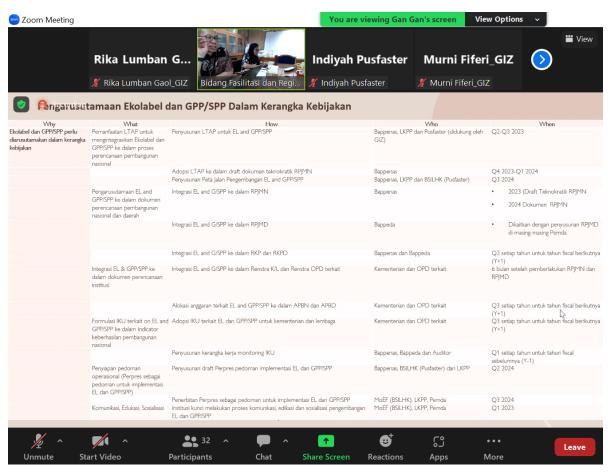
Indonesia x Malaysia Peer-to-Peer Exchange in March 2023, Kuala Lumpur Malaysia

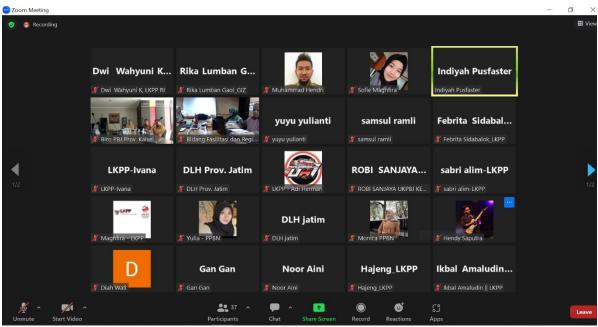












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