



**ANNUAL REPORT OF UNIDO'S EXPERT ACTIVITY  
FOR RECP PROGRAM / GREEN INDUSTRY IMPLEMENTATION  
IN CADGIE – MINISTRY OF INDUSTRY**



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**UNIDO**

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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## UNIDO in brief

UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.

As of January 2018, 167 States are Members of UNIDO. They regularly discuss and decide UNIDO's guiding principles and policies in the sessions of the Policymaking Organs.

The mission of the United Nations Industrial Development Organization (UNIDO), as described in the *Lima Declaration* adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States.

The relevance of ISID as an integrated approach to all three pillars of sustainable development is recognized by the recently adopted 2030 Agenda for Sustainable Development and the related Sustainable Development Goals (SDGs), which will frame United Nations and country efforts towards sustainable development in the next fifteen years. UNIDO's mandate is fully recognized in SDG-9, which calls to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". The relevance of ISID, however, applies in greater or lesser extent to all SDGs.

## **UNIDO in Indonesia**

The UNIDO Country Office in Indonesia was established in 1970.

Within UNIDO's mandate to foster economically efficient, ecologically friendly and socially desirable patterns of industrial development across developing countries, the UNIDO development cooperation programme in Indonesia covers four thematic priorities: poverty reduction through productive activities; trade capacity building; energy for productive use and energy efficiency; and environment management.

These four thematic areas are in line with the projects identified in the UNIDO - Indonesia Country Programme. This approach also complies with the contours and tenets of the Indonesia – United Nations Partnership Development Framework (UNPDF) 2011 - 2015. The programmatic objective of the framework is to achieve sustainable livelihoods and combat climate change. The framework is also fully aligned with the national medium-term development priorities (RPJM) 2010 - 2015, which aims to address issues regarding poverty reduction, investment and business, climate change, energy and environment.

The Government of Indonesia in its national development priorities have highlighted strategic development goals in order to build and consolidate international development partnership in the pursuit of promoting Indonesia's visibility as an emerging economy.

The programmatic intervention of UNIDO in the context of Indonesia's development priorities aims at creating an enabling environment to bring about necessary changes required as well as ensure a holistic approach in the implementation of technical programmes.

## RECP Program Overview

RECP Program is one of the key UNIDO's country programs in Indonesia. The national Resource Efficient and Cleaner Production (RECP) programme in Indonesia aims to bolster competitiveness and profitability whilst also instilling responsible business practices and enhancing long term market access for key manufacturing and related sectors in Indonesia.

The RECP Programme focuses on main regional manufacturing hubs that drive economic development and job creation around Indonesia and are significant in terms of consumption of materials, energy and water and potential environmental impacts. These are: South Sulawesi; North Sumatera; West Java; East Java and Central Java. In each of these manufacturing regions, training and assessment services are provided to selected demonstration enterprises, Furthermore, advocacy, networking and policy support are provided to scale up and mainstream RECP uptake in priority sectors and beyond.

The RECP Programme links with the way in which aims and objectives of national policies and strategies are achieved, such as the Indonesian 10 year Sustainable Consumption and Production (SCP) programme and the Green Industry stipulations under the 2014 Law on Industrial Affairs. It also supports international commitments, including towards the realization of the universal 2030 Sustainable Development Goals (SDGs) as well as the ASEAN 2025 Blueprints - *Forging Ahead Together*.

The RECP Programme is implemented by the United Nations Industrial Development Organization (UNIDO) with funding support from the Government of Switzerland, in partnership with the Ministry of Environment and Forestry (MoEF) and Ministry of Industry (Mol). The programme activities are delivered through national implementing partners:

1. the Indonesian Cleaner Production Centre (ICPC),
2. the Centre for Resource Efficient and Cleaner Production Indonesia (CRECPI),

3. **the Centre for Assessment and Development of Green Industry and Environment (CADGIE)** and
4. the Centre for Textiles Bandung (CTB).

The Project works towards five - categories of - 'contributing' outcomes, respectively:

#### Outcome 1 RECP Capacity and Network

Strengthen, develop and utilize professional and institutional capacity for adapting and adopting RECP methods, practices, and technologies. RECP service delivery capacity is further enhanced, through advocacy and knowledge management, wide-spread awareness raising on RECP opportunities and benefits, continued training of national experts, and establishment of facility of RECP (NRECP).

#### Outcome 2 RECP Implementation and Replication

Identify, evaluate, and support implementation of RECP opportunities in target enterprise groups through delivery of support services customized to the four main enterprise target groups: small scale industries (food, textile, chemical, metal), industrial zones (Makassar, Batam, and East Java), tourism regions and micro-enterprises including consecutively demonstration, adaptation, and replication steps.

#### Outcome 3 RECP Regulatory and Policy Framework

Contribute to creating at the suitable administrative levels mechanisms for mainstreaming RECP concepts, methods, and policy instruments in relevant industry (Green Industry/GI), environmental (Sustainable Consumption & Production/SCP), tourism (Green Tourism/GT) and energy/resource efficiency (Industrial Energy Efficiency/IEE) policies and strategies, leading to an increased role of RECP in government policy in Indonesia.

#### Outcome 4 RECP Technology and Innovation

Increase availability and affordability of suitable RECP technologies for the target enterprise groups, in particular those contributing to and/or inspired by Industrial Symbiosis (IS, Green Chemistry & Engineering (GC&E), and Cradle to Cradle (C2C). Upon identification, piloting, and evaluation of key RECP technologies, proposals will be developed and promoted for their adaptation and replication among target industries.

#### Outcome 5 RECP investment and Finance

Assess gaps in enterprise finance, propose and promote appropriate financial instruments for RECP investments in target enterprise groups to financial intermediaries, including through roundtables and other consultative formats with domestic financial institutions, board of investment, and international financial institutions. Technical support will be provided for the pilot, evaluation, and scaling-up such financial instruments including through training and capacity building of financial institutions and business sector

# CADGIE/PPIHLH as one of RECP Program's Main Partner



## Activities RECP Program in CADGIE

The Workplan RECP Program in Kemeperin RI / PPIHLH focuses on the scope of no.3 above, namely support for 'Policy and Regulatory Framework'. The UNIDO's supports agreements include:

1. Placement of UNIDO's experts in PPIHLH's office.
2. Full / Partial funding for agreed programs, especially related to the scope no.3 above.

In the implementation, the daily activity orientation of the expert staff is always in synergy basis with PPIHLH in developing strategic concepts, policies and implementation of Green Industry. The major key realization is mainly active as a key speaker / consultant / coach / reference on the following Area/Scope:

1. Policy Review and Assessment:

- Green Industry Award (GIA). Every year on 1<sup>st</sup> quarter together with CADGIE – actively reviewing guidance book of MoI's GIA, and MoI publish revised guidance book national wide to all industrial sectors for their self-assessment prior official field verification by CADGIE's team. Major revisions points are assessment parameters, scoring system and key feedbacks from industries on last year award cycle. Major activities on this are:

1. Preparing draft document of revised GIA Guidelines book. After internal CADGIE's meetings then having FGD – Forum Group Discussion with Association, Academics and Industries reps for final cut.
2. Socialization of the Program. Inviting or visiting all key industrial sectors for distributing newly revised items.
3. Field verification. To checks and verify actual operations that industry performs against their submitted report

- Green Industry Standards (GIS). Until end of 2017 Mol have produced 23 GIS for various industrial sectors. And already officially publish by Mol as they are stated in Minister decree. Major activities on this are:
  1. Preparing draft document and developing benchmarking numbers for parameter standards. For each GIS normally took 5-6 times of meeting with Academics, Associations, Experts from respective Industries and Mol's relevant directorates for this stage. Mostly CADGIE appointed me to take a lead on these meetings.
  2. Consensus. This is final meeting attended by Head of CADGIE's and ended by signing off together agreed GIS document.
  3. Socialization. In the last 3 subsequent year, we choose 3 cities across country and inviting respective industries for full day GIS socialization as well as RECP basic training.

2. Consultation and advocacy:

- Green Industry Standard socialization event series. On 1<sup>st</sup> quarter 2017, Mol had initiative to officially introduce and campaign newly GIS as well as promote them to all key industries nationwide. Conducted in 4 cities across country, the event was attended by more than 100 participant from industries, academics, association and local industrial agencies. Major activities on this are:
  1. Presentations on GIS concept, future projections and technical guidance. And followed by RECP basic concept and implementation techniques.
  2. Lunch meeting and interactive discussion with all attendants.
- Green Industry Certification Body (GICB). Until end of 2017 Mol have appointed 12 GICBs who have capability for conducting GI assessment and certification. Major activities on this are:

1. Preparing draft document and developing technical audit guidance for GI assessment and certification. It has been done together with Academics, Associations, and Mol's research center.
2. Visiting GICB's candidates for official Mol's audit together with CADGIE's team. This session attended by their top management and all certified auditors to see actual capability and having committed integrity for conducting GI assessment as well as certification.
3. Communication and coordination, including RECP Club:
  - Green Industry Auditor Training (GIAT). In the last 3 subsequent year, we actively involved in GIAT, either as key speakers or as main organizer as we did in February 2017. Major activities on this are:
    1. Preparing and developing training materials and key subjects of coaching. Some initial skeleton curriculum of 4.5 days training were developed together with CADGIE's team.
    2. Appointing key speakers from relevant industries for case studies. This aimed to have actual perspective for GIS implementations.
    3. On the job training. We supported field visit for allowing auditors having experiences in assessing factories against GIS. We did in Q4 2017 for 4 cities.
  - Green Industry / RECP Trainings. Numerous training starting end 2015 to date on GI/RECP as main subject to many audience background. Major activities on this are:
    1. Preparing and developing training materials. Most materials were developed suit to the audience backgrounds with RECP/GI as main topics.
    2. Coordinate and communications with local industrial agency, academics, associations and respective industries for event awareness.

- RECP Club. 2 locations are in progress, they are:
  1. Semarang. Initial workshop on July by Mr Permod and myself, continued by quick scans for potential units. Formed 2 clubs with 4-5 units each from textile/garment/batik sector. Last November, required official documents are ready except 2 MoUs from 2 units. Progress are quite slow due to most of units are waiting top mgmt./owner to sign off MoU and also key contact/coordinator from local industrial agency were promoted as a head of research center in Southern Sumatra.
  2. Jogjakarta, Initial meeting on October by Mr Permod, continued by close contact with local coordinator/facilitator with myself. Formed 4 clubs with 6-7 units each from garment/batik sector. Last Desember, required official documents are ready except 4 MoUs from 4 units. 2 facilitators are indentified and targetted by February 2018 - 4 units should start for initial workshop for developing understanding in RECP basics

Some field works in order of realization of above work scope supports can be summarized by chronological brief points as follows:

1. Bekasi - Feb'17: Socialization of Green Industry Standard + RECP Workshop
2. Surabaya - Feb'17: Socialization of Green Industry Standard + RECP Workshop
3. Medan - Feb'17: Socialization of Green Industry Standard + RECP Workshop
4. Jakarta - Mar'17: 5 days, Green Industry Auditor Training
5. Jogja - Mar'17: Socialization of Green Industry Standard + RECP Workshop
6. Jakarta - Mar'17: 3 days, RECP Expo: Exhibition, Seminars and Business Dialogue
7. Tangerang - Mar'17: 'Green Industry Appraisal Indicators and Techniques' workshop - Tangerang City Government
8. Kupang / NTB - May'17: 2 days, Seminar on Green Industry: Disperindag & Univ.Nusa Cendana

9. Semarang - Jul'17: GI / RECP Workshop and Formation of RECP Club - Project based
10. Jakarta - Agt'17: 3 days, TOT 1 RECP, 'Concept, Methodology and Implementation' training
11. Jogja - Oct'17: GI / RECP Workshop and Formation of RECP Club - Project based
12. Jakarta - Oct'17: 3 days, TOT 2 RECP, 'Developing baseline, material / heat balance' training
13. Lampung - Sept'17: Auditor capacity building + GI Certification, Crumb Rubber
14. Gresik - Oct'17: Auditor capacity building + GI Certification, Wilmar
15. Magelang - Oct'17: Auditor capacity building + GI Certification, Tidar Valley
16. Pasuruan - Oct'17: Auditor capacity building + GI Certification, Nestle
17. Bontang / Kaltim - Nov'17: Auditor capacity building + GI Certification, Pupuk Kaltim
18. Jakarta - Dec'17: 3 days, TOT 3 RECP, Energy Efficiency training

Key Notes of chronological activities above as follows:

- No. 11,13&18, accompanied / guided by Mr. Permod Gupta and for all others by Harris Fadillah respectively.
- No. 6 - 8: partial funded / joint support and for other are fully funded by UNIDO.
- All locations and activity types are valid data. while only for some point – its timing are following program reporting.

According to the first meeting on the introduction of the UNIDO team with the new Head of PPIHLH (CADGIE) in November 2017 - at first quarter of 2018 (Q1) there will be a discussion on the work plan / joint program to be executed up together in 2018.