

**REGULATION, TAXATION AND INSURANCE**

**PROJECT TITLE:** *Indonesia REDD-plus RBP for results period 2014-2016*  
**ACCREDITED ENTITY:** *UNDP*

*Please provide the following information:*

- Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance. If there are no regulatory or government approvals, license or permits required, please state so in this document.*
- Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.*
- Details of any insurance policies or requirements related to the project/programme. If insurance is not applicable, please state so in this document. If insurance is applicable, please indicate whether it has been included in the project budget; or it will be covered from external sources not accounted for in the budget.*

In Indonesia, Law No. 32 of 2009 on Environmental Protection and Management mandates that Environmental Impact Assessment (EIA) is mandatory for activities that have significant impact to the environment (Article 22). Activities that are not included in the mandatory category shall have an Environmental Management and Monitoring Program (Article 34). Furthermore, activities that do not fall under the category that warrants Environmental Management and Monitoring Program will require a Declaration Letter stating its capacity and willingness to manage and monitor environmental impact from its activities (Article 35).

List of activities that is mandatory to have EIA is detailed in Ministry of Environment and Forestry Regulation No 38 of 2019 on EIA Mandatory Type of Activities. Those that are obliged to have EIA and Environmental Management and Monitoring program are also required to have Environmental Permits (Article 36 Law No. 32 of 2009), which detail process is prescribed in Government Regulation No 27 of 2012 on Environmental Permits.

The United Nations Development Programme, a subsidiary organ of the United Nations, has entered into a standard basic agreement with the Government of Indonesia with reference to the following agreements: the Revised Basic Agreement for Technical Assistance signed on 29 October 1954, the Standard Agreement on Operational Assistance signed on 12 June 1969 and the Partnership Framework Agreement signed on 28 September 2012.

Currently the Government of Indonesia is applying 10% value-added tax and withholding tax; however, UNDP is exempted through Ministry of Finance Regulation No.: 162/PMK.03/2014, dated 13 August 2014 and Ministry of Finance Regulation No.: 20/PMK No. 20/PMK.04/2018 regarding an amendment of Ministry of Finance Regulation No.: 148/PMK.04/2015.

Insurance is not applicable for this project.