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Jakarta. Indonesia will ensure that the institution it plans to create to monitor carbon emissions — a condition for receiving the bulk of a promised \$1 billion grant from Norway — will be completely independent, even if it means pushing back the target schedule, a senior official said on Thursday.

The institution “will need to have very high integrity, not leaving any space for leakages or corruption to take place, because these verifications will serve as the basis for whether compensation can be given or not,” said Kuntoro Mangkusubroto, head of the Indonesian delegation negotiating the implementing details of the grant with Norway, at the end of a two-day meeting with Norwegian counterparts in Jakarta.

Under the Indonesia-Norway agreement signed in May, Indonesia must set up three institutions, within five to seven months of the signing, that are needed to manage the grant. The first is REDD Plus, which will essentially be the implementing agency, carrying out carbon-reduction pilot projects. The second will manage the funds, receiving and disbursing them as appropriate.

The third one is a monitoring institution, referred to as MRV [Measurable, Reportable, and Verifiable], which will verify carbon emission reductions and report these to Norway.

Under the initial agreement, \$200 million will be provided to set up these institutions. The remaining \$800 million will be disbursed once Indonesia begins showing reduced emissions, as verified by the MRV institution.

“That’s why we are being very careful in designing this institution, taking it slow compared to other institutions,” Kuntoro said.

“It has not crossed my mind to just put representatives from each department in those institutions; that’s too bureaucratic. We need to move away from this kind of approach and start with good, proper, professional, high integrity, and competent approaches,” he said.

Kuntoro added that two of three required institutions — the implementing agency and the fund manager — would be established by the end of the year as planned.

Details for implementing the Norway grant are to be finalized and signed at the UN General Assembly meeting in New York next month.

Norway has agreed to transfer an initial \$30 million during the assembly meeting, to be used to set up the required institutions.