

Current Status on Carbon Market in Indonesia

DNA Global Forum
13 – 14 November 2014



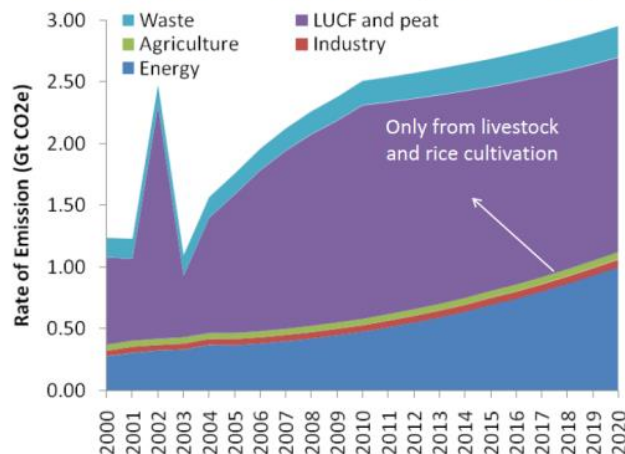
DNA Indonesia
National Council on Climate Change (DNPI)
INDONESIA

Presentation Outline:

- Current Status and Development of CDM in Indonesia
- Indonesia Strategy on Carbon Market Development
 - *Partnership for Market Readiness*
 - *Joint Crediting Mechanism*
 - *Nusantara Carbon Scheme*

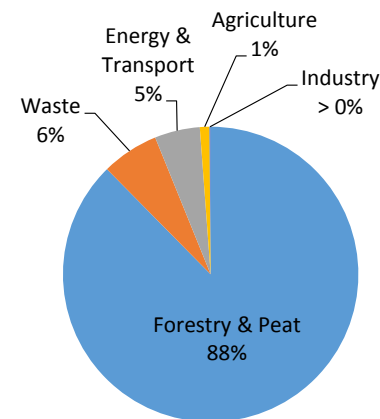
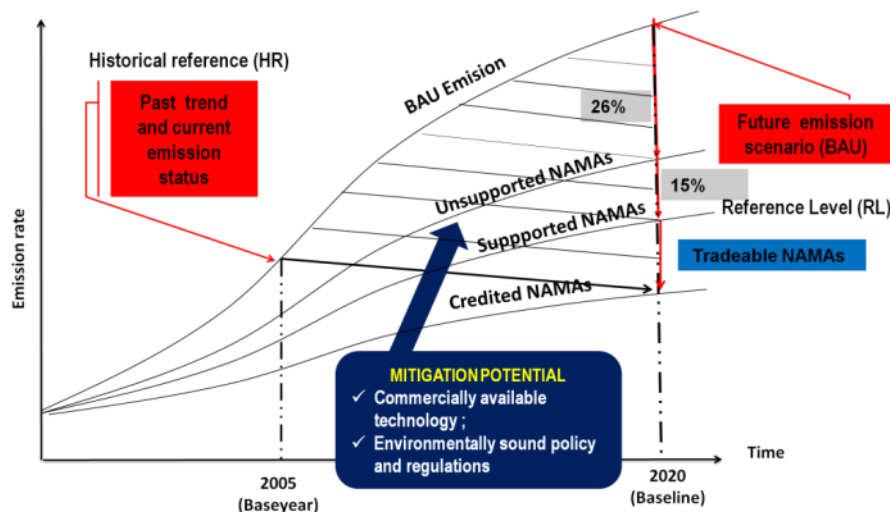
National emission profile and emission reduction target

Historical and projection of GHG emission under BAU scenario by sector (2000-2020)



- GHG emission increases with economic growth
- Challenges exists to achieve national commitment of GHG emissions reduction by **26% under BAU level in 2020** (up to 41% with international support).
- Emission reduction shall not compromising growth (26/7 vision).

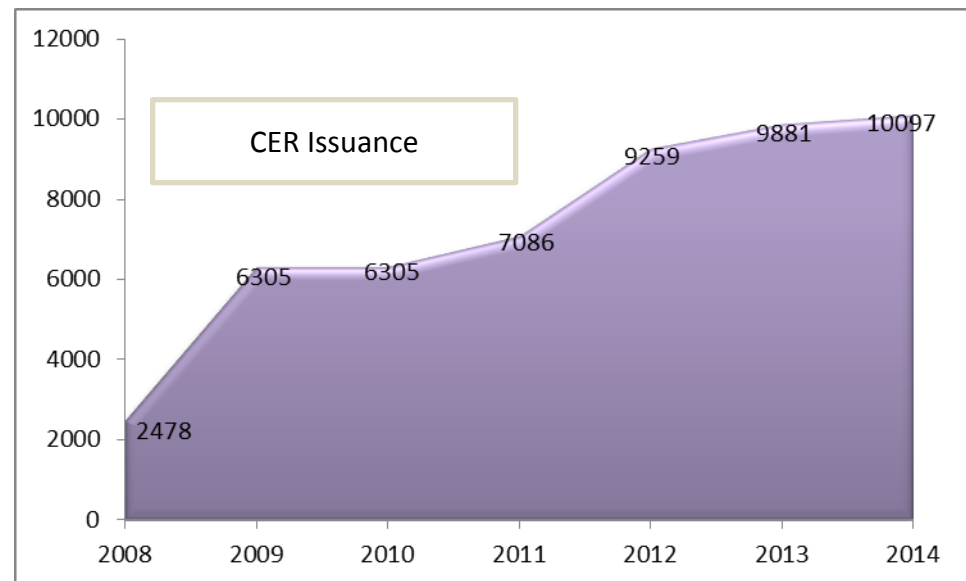
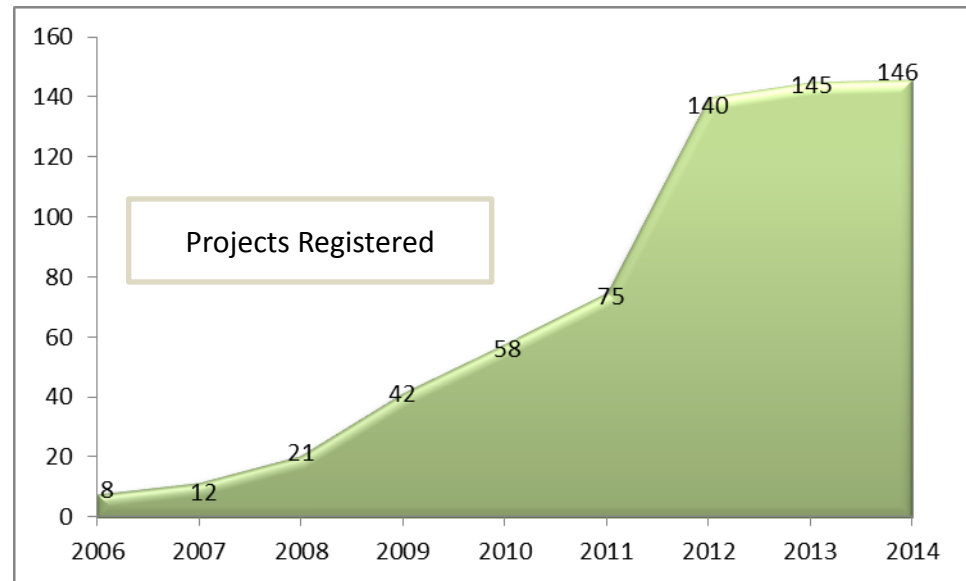
Emission Reduction Targets



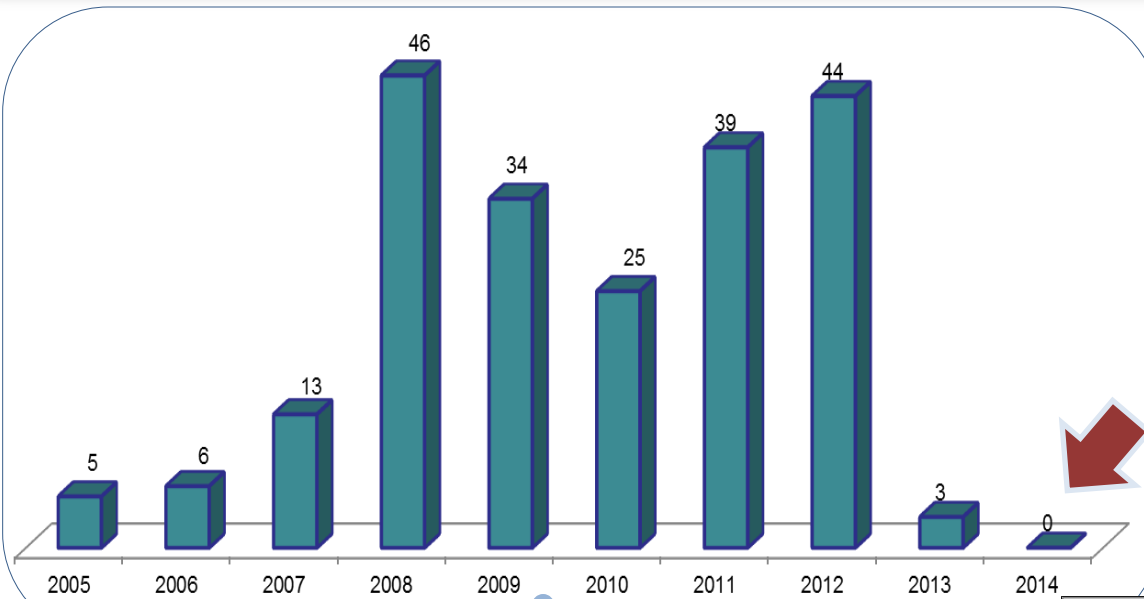
National Emission Reduction Action Plan (RAN-GRK)

CDM Current Status

- 2004 - Indonesia ratifies Kyoto Protocol
- 2005 - Establishment of Indonesian DNA, NC-CDM, hosted in Ministry of Environment
- 2008 - Establishment of National Council on Climate Change (NCCC)
- 2009 - NC-CDM is hosted in NCCC
- 2014 - 250 Indonesian projects attempted CDM since KP was ratified in 2005.
- Emissions reduction potential almost 250 MtCO₂e until 2020, notably from renewable energy & methane avoidance.

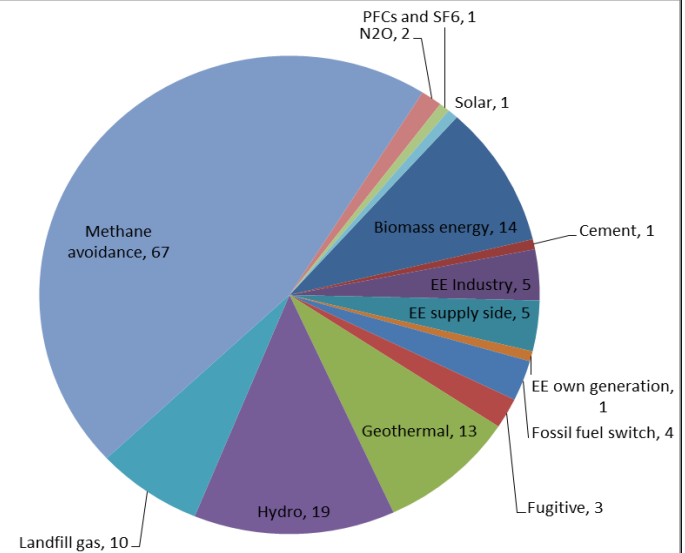


CDM Current Status

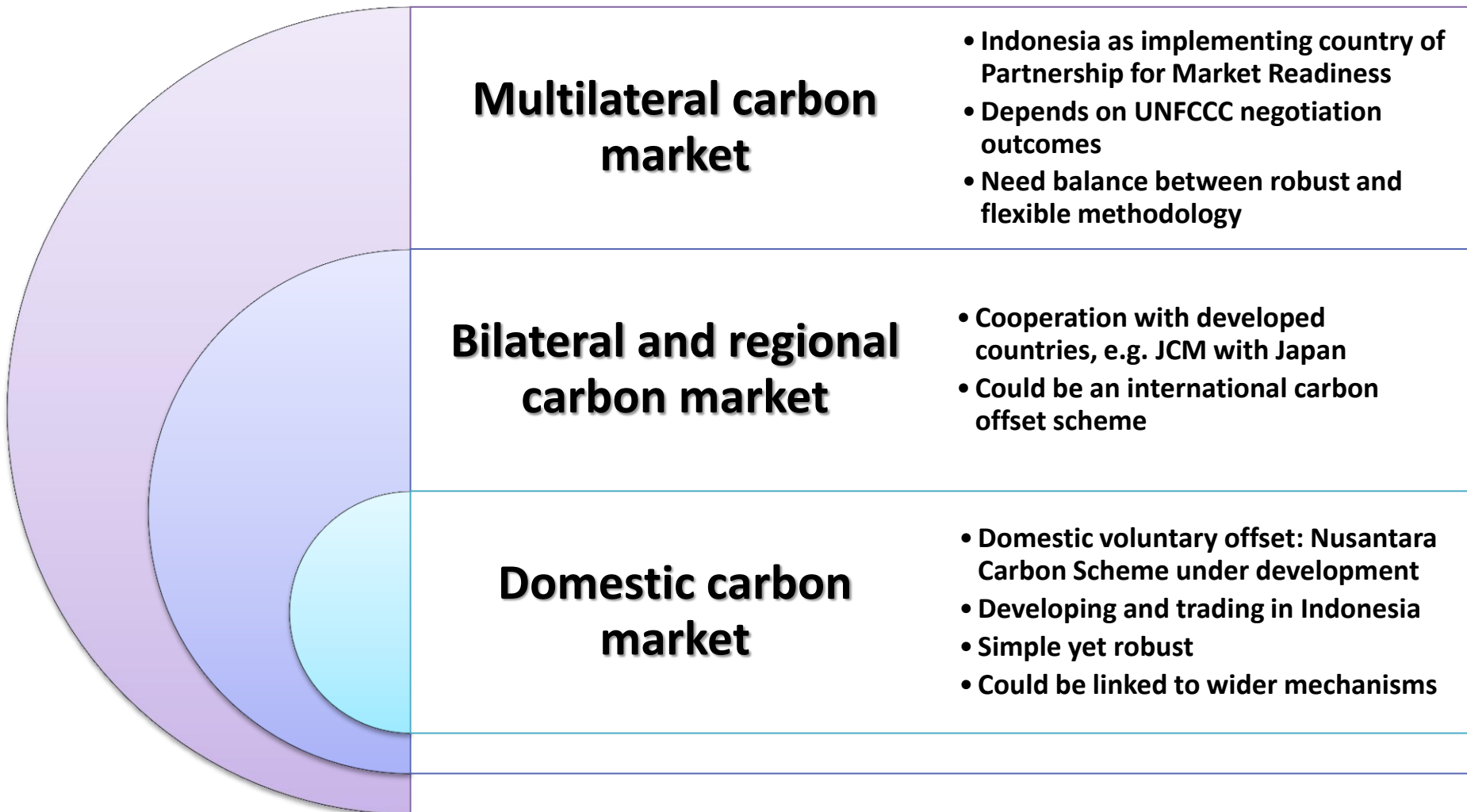


LoA Issuance = 215

Number of Registered Projects by Sectors



Indonesia Strategy on Carbon Market Development



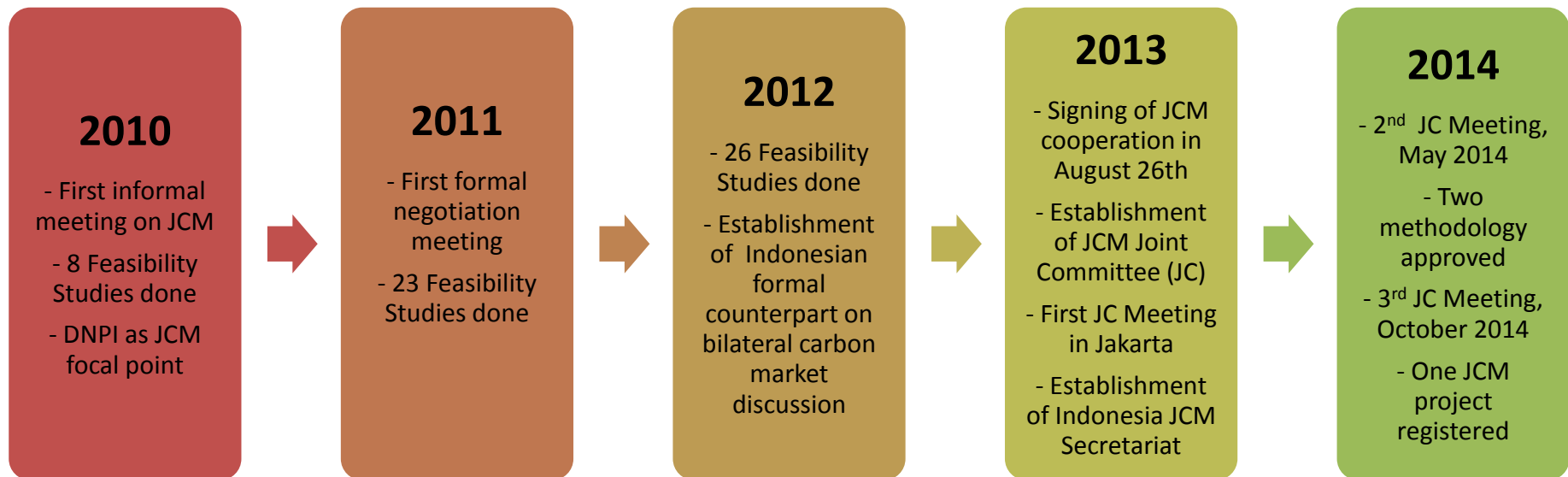
Partnership for Market Readiness (PMR)

- Propose core readiness development in MRV of power and industry sector
- Consists of:
 - Emission profiling (to build baseline)
 - MRV system development and piloting (down to installation level)
 - Market based options assessment and piloting
- The main objective is to inform policy making process
- Allocated USD 3 mio. by the Partnership Assembly, possible disbursement through the Indonesia Climate Change Trustfund (ICCTF)
- Implementation phase is expected to start 2015

Joint Crediting Mechanism (JCM)

Current Status:

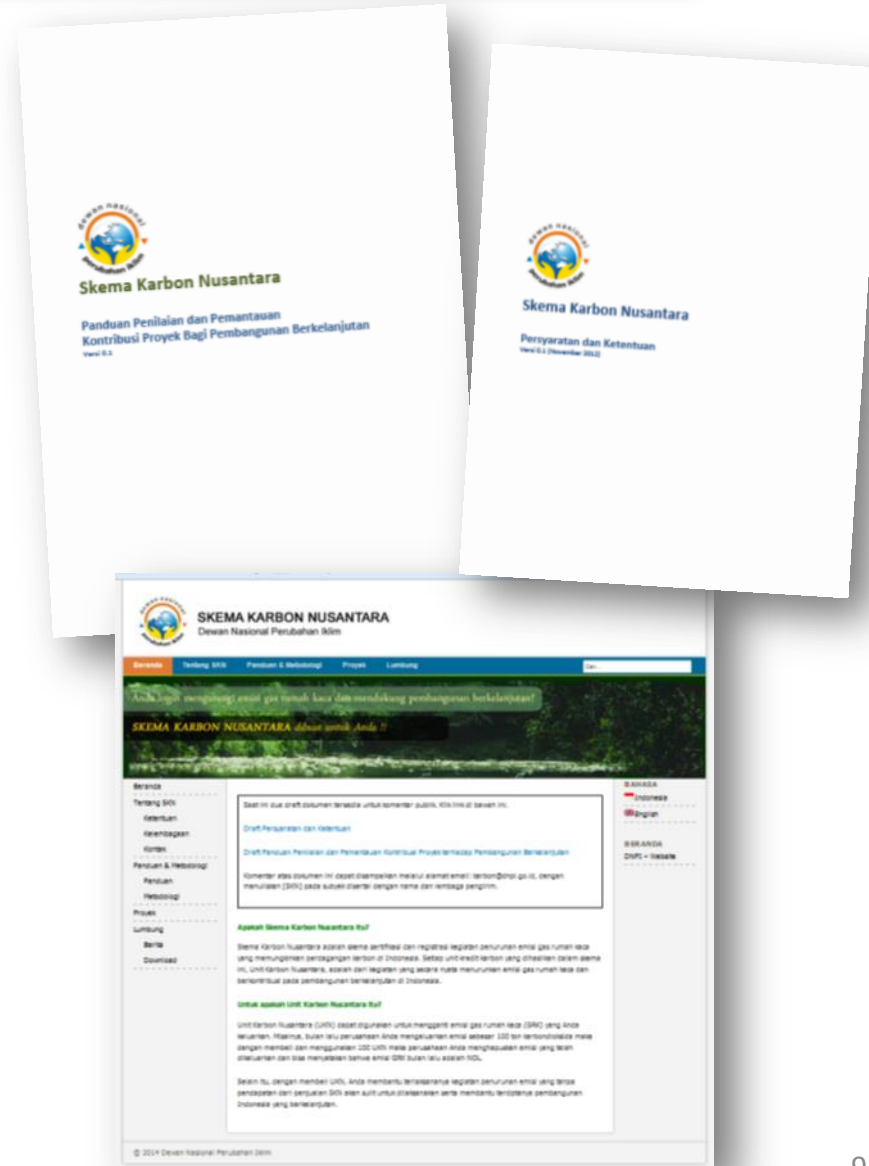
- 75 feasibility studies have been done from 2010-2013 fiscal years
- The bilateral agreement has been signed and the Joint Committee has been formed in August 2013
- MRV based on ISO 14064/14065



Nusantara Carbon Scheme (NCS)

- Development work since 2012, aims to increase awareness and capacity in carbon management and to provide market element as policy tool for future GHG related policies
- Drafts of general requirement and contribution to sustainable development + 6 draft methodologies + initial version of the registry
- A GHG programme (certification and registration for verified ER) that facilitate voluntary carbon trading
- MRV based on ISO 14064/14065

www.skn.dnpi.go.id



Nusantara Carbon Scheme (NCS)

- Market demand and strategy study now on going by JICA support
- Foreseen composition of NCS executive board: NCCC; Ministry of Forestry; Ministry of Environment; NGO.
- Demonstration Project (forestry sector) in Forest Management Unit (FMU) Gerbang Lestari, Madura
- Project activities: planting Red *Caliandra* (\pm 150 Ha), support by ICCTF.



Conclusion

- Market instruments such as CDM **proved to be effective** to spur emissions reduction by industries: 215 projects approved by DNA, 146 projects + 9 PoAs registered, 37 projects issued CERs (10 million tCO₂).
- CDM is very useful in clean technology in Indonesia.
- The experiences of CDM can be utilized in the development of markets in Indonesia, such as JCM and NCS.



National Council on Climate Change
Indonesia

