

Date of meeting: 19 May 2014

Place of meeting: Surabaya, Indonesia

**Joint Committee of the Joint Crediting Mechanism  
between Indonesia and Japan  
Second Meeting**

**Meeting Report**

**Agenda item 1. Opening**

Mr. Rizal Edwin Manansang, Assistant Deputy Minister, Coordinating Ministry for Economic Affairs opened the second meeting of the Joint Committee (JC) of the Joint Crediting Mechanism (JCM) and gave opening remarks.

Ms. Yoshiko Kijima, Minister for Economic Affairs and Development, Embassy of Japan in Indonesia gave opening remarks.

Table: Attendance

The names of members present at the meeting are in bold print.

<b>JC Members from Indonesian side</b>	
<b>Assistant Deputy Minister for Multilateral Economic Cooperation and Financing</b>	Coordinating Ministry for Economic Affairs
<b>Secretary of Mitigation Working Group (alternate)</b>	National Council on Climate Change
Assistant Deputy Minister for Forestry	Coordinating Ministry for Economic Affairs
Director for Economic Development and Environment	Ministry of Foreign Affairs
Assistant Deputy Minister for Mitigation and Atmospheric Function Preservation	Ministry of Environment
Head of Research and Development Center for Climate Change and Policy	Ministry of Forestry
<b>Director of Energy Conservation</b>	Ministry of Energy and Mineral Resources
Head of Policy Center for Climate Change and Financing and Multilateral	Ministry of Finance
Head of Centre for Green Industry and the Environment	Ministry of Industry

<b>Head of Secretariat</b>	Indonesia JCM secretariat
<b>JC Members from Japanese side</b>	
<b>Ms. Yoshiko KIJIMA</b>	Embassy of Japan in Indonesia
Mr. Atsushi SAITO	Embassy of Japan in Indonesia
<b>Mr. Ryutaro NISHIMORI (alternate)</b>	Ministry of Foreign Affairs
<b>Mr. Yoshikazu HASUNUMA (alternate)</b>	Ministry of Economy, Trade and Industry
<b>Mr. Yuji MIZUNO</b>	Ministry of the Environment
Mr. Hideki KAWATO	Forestry Agency
<b>Mr. Osamu ISHIUCHI</b>	Embassy of Japan in Indonesia

## **Agenda item 2. Organizational matters**

### **Agenda item 2.1 Adoption of the agenda**

The JC adopted the agenda of the meeting.

### **Agenda item 2.2 Appointment of Co-Chairs**

The Japanese side appointed Ms. Kijima to serve as one of the Co-Chairs of the JC.

### **Agenda item 2.3 Attendance**

The Co-Chairs introduced the observers and the JC gave its consent to attendance of observers at this JC meeting.

## **Agenda item 3. Progress Reports of the JCM Model and Demonstration projects**

### **Agenda item 3.1 Model and Demonstration Projects in FY2013**

The Japanese side explained the progress of the JCM model and demonstration projects in FY 2013. The Indonesian side overviewed the projects and introduced lessons learnt by one of the JCM model projects. The JC took note of the importance of capacity building on not only technologies but also the comprehension of JCM in implementing JCM projects.

## **Agenda item 4. JCM Methodology**

### **Agenda item 4.1 Proposed Methodologies**

#### **ID\_PM001 “Power Generation by Waste Heat Recovery in Cement Industry”**

The JC considered the proposed methodology ID\_PM001 “Power Generation by Waste Heat Recovery in Cement Industry”, the review by the secretariat and public comment received.

In response to the point raised by the public comment, the JC concluded as following:

- i. Waste Heat Recovery (WHR) systems require no fossil fuels. Electricity used by the WHR system is subtracted from power generated by its own and only net electricity

supplied by the WHR to the cement factory to replace grid power is counted towards emission reductions. Energy required producing clinker under the reference and project remains the same, therefore, it can be cancelled out from emission reductions calculation.

In addition to the public comment received, the JC considered the way in which the methodology ensures grid power replacement by the WHR system. The JC concluded to introduce an additional eligibility criterion which limits the connection of the WHR system only to the internal grid of the cement factory.

Based on the consideration, the JC approved the proposed methodology ID\_PM001 with revisions, as contained in the Annex 1 to this meeting report.

#### ID\_PM002 “Energy Saving by Introduction of High Efficiency Centrifugal Chiller”

The JC considered the proposed methodology ID\_PM002 “Energy Saving by Introduction of High Efficiency Centrifugal Chiller” and the review by the secretariat. Based on the consideration, the JC decided to further consider the proposed methodology ID\_PM002 especially on the issue of emission factors to be applied in the methodology. The JC took note of possibility to adopt the proposed methodology ID\_PM002 by electronic means subject to further consideration.

### **Agenda item 5. Rules and guidelines**

#### **Agenda item 5.1 Discussion on necessary amendments of rules and guidelines**

##### “Rules of Implementation for the Joint Crediting Mechanism (JCM)”

The JC considered the draft revised “Rules of Implementation for the Joint Crediting Mechanism (JCM)” and decided to further consider it.

##### “Joint Crediting Mechanism Project Cycle Procedure”

The JC considered the draft revised “Joint Crediting Mechanism Project Cycle Procedure” and decided to further consider it.

##### “Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity”

The JC also considered the draft revised “Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity” and adopted it, as contained in Annex 2 to this meeting report.

## **Agenda item 6. Third-Party Entity**

### **Agenda item 6.1 Designation of Third-Party Entities**

The JC designated the following seven entities as third-party entities.

- Japan Consulting Institute (validation and verification functions in sectoral scopes: 1, 2, 4, 5, 9, 10, 13)
- Lloyd's Register Quality Assurance Limited (validation and verification functions in sectoral scopes: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13)
- Japan Quality Assurance Organization (validation and verification functions in sectoral scopes: 1, 3, 4, 5, 9, 10, 13, 14)
- JACO CDM., LTD (validation and verification functions in sectoral scopes: 1, 3, 13, 14)
- Japan Management Association (validation and verification functions in sectoral scopes: 1, 2, 3, 4, 6, 8, 9, 14)
- TÜV SÜD South Asia Private Limited (validation and verification functions in sectoral scopes: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15)
- Deloitte Tohmatsu Evaluation and Certification Organization CO., Ltd. (validation and verification functions in sectoral scopes: 1, 2, 3, 4, 5, 8, 10, 12, 13, 15)

## **Agenda item 7. Other matters**

### **Agenda item 7.1 Project Idea Note**

The Indonesian side explained its proposal to introduce procedure for project participants to fill in and submit the project idea note (PIN) to the JC. The JC decided to further consider whether to include the process for the PIN in “Rules of Implementation for the Joint Crediting Mechanism (JCM)” and “Joint Crediting Mechanism Project Cycle Procedure”.

### **Agenda item 7.2 Regulation of the Minister of Environment Number 15 Year 2013 Concerning MRV of Climate Change Mitigation Action**

The Indonesian side explained the Regulation of the Minister of Environment Number 15 Year 2013 concerning MRV of Climate Change Mitigation Action. The JC took note that, as of now, project participants of the JCM projects are not required to conduct additional activities under this regulation, but the emissions reductions are expected to be reported to the Indonesia’s National Registry System

### **Agenda item 7.3 Sustainable Development Criteria**

The Indonesian side introduced its idea on Sustainable Development Criteria for the JCM projects and announced that the Indonesian side will further consider the sustainable development criteria for discussion with the Japanese side, including consideration of its

introduction to the new projects in FY2014.

### **Agenda item 8. Way Forward**

Introduction and Discussion on Plan of Feasibility Studies, Model and Demonstration Projects in FY 2014

The Japanese side explained the plan of feasibility studies, model and demonstration projects in FY 2014. The JC took note of the necessity to further discuss on simplifying the administrative procedure for project implementation.

Preparation Plan for COP20

The Indonesian side introduced a preparation plan for the COP20. The JC took note of the importance of disseminating information on the JCM to other countries. The JC also noted that the both sides will consult each other on dates and venues for the third meeting of the JC in early October 2014 and a preparation meeting on the JCM for the COP20.

Next JCM Methodologies

The Japanese side introduced JCM methodologies under development which may be proposed in the next JC.

Others

The JC noted that the both sides put importance on developing rules and guidelines and activities for REDD-plus<sup>1</sup> projects.

### **Closing remarks**

The Co-Chairs gave closing remarks and closed the meeting.

### **Annexes to the report**

Annex 1 ID\_AM001 “Power Generation by Waste Heat Recovery in Cement Industry”

Annex 2 Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity  
(version 02.0)

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<sup>1</sup> Reducing Emissions from Deforestation and Forest Degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries