Joint Crediting Mechanism (JCM) 
Indonesia – Japan  

Cooperation for Low Carbon Growth

JCM Business Forum 
Four Seasons Hotel Jakarta 
8th April 2014

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Assistant Deputy Minister for Multilateral Economic Cooperation and Financing 
Coordinating Ministry for Economic Affairs
Indonesia’s commitment:
Reducing GHG emission by 26% unilaterally, and 41% with international support, by 2020
(President SBY in G20 Summit, Pittsburgh, 2009 and COP 15, Copenhagen, 2009)

National Program
- National Action Plan on GHG Emission Reduction (RAN-GRK)
  - GHG Inventory
  - Skema Karbon Nusantara

International Cooperation
- Clean Development Mechanism (CDM)
- East Asia Low Carbon Growth Partnership
- Indonesia Climate Change Trust Fund
- Partnership for Market Readiness World Bank
- Bilateral Cooperation with US, Japan, Australia, England, and Annex I Countries
During 2010-2014, around 70 feasibility studies have been conducted in Indonesia. They cover the fields of renewable energy, energy efficiency, forestry (REDD+), transportation, carbon capture and storage (CCS), and agriculture.
Coordination Team for Inter-State Carbon Trade Negotiation (TKPPKA) is the official representative of Indonesia in JCM negotiations.

TKPPKA is also the Indonesia’s focal point in managing and negotiating the inter-state carbon trade.

**Steering Committee**
- Chair: CMEA
- Members: 4 Related Ministers + CEO of DNPI

**Executing Team**
- Chair: Deputi VII CMEA
- Alternate Chair: President’s Special Staff on Climate Change Issues
- Members: 10 DG Level Officers from 8 Related Ministries

**Technical Team**
- 21 Director Level Officers from 13 related Ministries + DNPI

**Secretariat**
- (Indonesia JCM Secretariat)
Important Points in JCM Bilateral Cooperation

Bilateral Cooperation on Joint Crediting Mechanism for Low Carbon Partnership Between Indonesia and Japan

- JCM will be implemented in accordance with laws and regulations in each country.
- JCM will be managed and operated by the Indonesia-Japan Joint Committee.
- The Government of Indonesia and Japan will ensure that there will be no double counting in GHG emission reduction.
- At the beginning of JCM operations, credits from GHG reduction are non-tradable. In the future, the Government of Indonesia and Japan will do any efforts to make the JCM become a tradable carbon credited mechanism.
- The Government of Indonesia and Japan will work together in order to obtain the recognition of JCM in the UNFCCC Scheme.

This partnership applies since 26 August 2013 up to the establishment of a new international framework under the UNFCCC.
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<thead>
<tr>
<th><strong>Indonesia</strong></th>
<th><strong>Japan</strong></th>
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<tbody>
<tr>
<td>1. Assistant Deputy Minister for Multilateral Economic Cooperation and Financing, CMEA</td>
<td>1. Minister for Economic Affairs, EoJ</td>
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<td>2. Director for Economic Development and Environment, MoFA</td>
<td>2. Advisor to the Ambassador, EoJ</td>
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<td>3. Assistant Deputy Minister for Mitigation and Atmospheric Function Preservation, MoE</td>
<td>3. Director of Climate Change Division, MoFA</td>
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<td>4. Head of Research and Development Center for Climate Change and Policy, MoFor</td>
<td>4. Director of Global Environment Partnership and Technologies, METI</td>
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<td>5. Director of Energy Conservation, MoEMR</td>
<td>5. Director of International Negotiation Office for Market Mechanism, MoE</td>
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<td>7. Head of Center for Green Industry and Environment Studies, Mol</td>
<td>7. Secretary for Forestry, Fishery and Natural Conservation, EoJ.</td>
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<td>8. Assistant Deputy Minister for Forestry, CMEA</td>
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<td>9. Coordinator of Carbon Trade Mechanism Division, DNPI</td>
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<td>10. Head of Indonesian JCM Secretariat</td>
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# 8 Model/Demo Projects JCM 2014

## JCM Demo Projects (METI/NEDO)
1. Energy Saving by Optimum Operation at Oil Refinery *(Yokogawa and Pertamina)*
2. Utility Facility Operation Optimization Technology *(Azbil and Pertamina)*
3. Demonstration Project on Remote Auto-Monitoring System for Thin-Film Solar Power Plant in Indonesia *(Sharp Corporation and PLN)*

## JCM Model Projects (MOE/GEC)
1. Energy saving by double bundle-type heat pump at beverage plant *(Toyota Tsusho Corporation and PT. Hokkan Indonesia)*
2. Energy saving for air-conditioning at textile factory *(Ebara Refrigeration Equipment & Systems and PT. Argo Pantes Tbk.)*
3. Energy Savings at Convenience Store *(Lawson and PT. Midi Utama Indonesia Tbk)*
4. Energy Efficient Refrigerants to Cold Chain Industry *(Mayekawa Manufacturing Company and PT. Adib Global Food Supplies)*
JCM Cooperation Scheme

Japan

Technology, investment, Financing and Capacity Building

MRV System will be designed by the Joint Committee

To achieve the emission reduction target/commitment

Indonesia

JCM Projects

MRV

GHG Emission Reduction

Carbon Crediting
<table>
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<tr>
<th>Why JCM?</th>
<th>Technology Transfer</th>
<th>Investments</th>
<th>Capacity Building</th>
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<td></td>
<td>Sistem, Carbon Capture and Storage, MRV, etc.</td>
<td>Total budget 2013-2014: ¥ 4.7 billion (Rp 503 billion)</td>
<td>Based on FS projects as well as private and public sector projects</td>
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<td>Production Efficiency</td>
<td>Government Support</td>
<td>Environment</td>
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<td></td>
<td>Reduction of production cost and energy consumption, monitoring system, reduction of processing time</td>
<td>Investor and licensing facilitation, submission of project proposals, Japan’s investment commitment</td>
<td>GHG Emission Reduction</td>
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<td>Achieve the Industrial Environmental Requirements</td>
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<td>Emission Reduction</td>
<td>People’s Welfare</td>
<td></td>
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<td>Support the achievement of the government target</td>
<td>Infrastructure, electricity, and water provision</td>
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JCM Coordination Scheme

Government of Japan

Joint Committee Japan

JCM Secretariat Japan

Project Developers Japan

Indonesian Partners

Government of Indonesia

Joint Committee Indonesia

JCM Secretariat Indonesia / Secretariat TKPPKA

New Project Proposals

JCM Projects in Indonesia

Project Developers Indonesia
Do You Want to Participate?

- What are the JCM Work Sectors?
  - Energy
  - Waste Management
  - Transportation
  - Manufacturing Industry
  - Etc.

- How Can You Participate?
  - Submitting Project Proposals (Project Idea Note)
  - As the JCM 3rd Party Entities (Validators & Verificators)
Agenda 1st Semester of 2014

- Training for JCM validator & verificator candidates
- Implementation of 8 model/demo projects
- Workshops and Meetings:
  - Workshop on Climate Change
  - Workshop on Designing and Implementation of JCM Projects
  - Reports on the Result of Feasibility Studies 2013/2014
  - Workshop on JCM Methodology
- Business Forum
- Other activities
Coordinating Ministry for Economic Affairs
Republic of Indonesia

Terima kasih