



Coordinating Ministry
for Economic Affairs
Republic of Indonesia



JICA Technical Cooperation on Low Carbon Development and Challenges of JCM in Indonesia

Jun Ichihara, JICA Expert/Chief Adviser
Project of Capacity Development Assistance for
Low Carbon Development in the Republic of Indonesia
(JICA-CMEA Project)
Japan Pavilion, 4 December, 2015

Overview JICA's Technical Cooperation on Climate Change In Indonesia

- Mainstreaming climate change mitigation and adaptation
- Strengthening climate change projection and vulnerability assessment
- Accelerating climate policy and its implementation
- Strengthening MRV institutional capacity
- Strengthening inter-ministerial coordination and cooperation

Project of Capacity Development for Climate Change Strategies in Indonesia (October 2010 – October 2015)

SUB-PROJECT1 Mitigation Adaptation
Integration of Climate Change Mitigation and Adaptation into National Development Planning

SUB-PROJECT2 Adaptation
Capacity Development for Climate Change Adaptation Actions in Agriculture and Other relevant Sectors

SUB-PROJECT3 Mitigation
Capacity Development for Developing National GHG Inventories

Project of Capacity Development for Green Economy Policy in Indonesia (December 2013 – October 2015)

Enhancement of capacity of Ministry of Finance to formulate fiscal and financial incentives in promoting low carbon and green economy Mitigation

Project of Capacity Development for the National Focal Point on Climate Change to Enhance the Coordination and Evaluation of Climate Change Policies in Indonesia (November 2012 – December 2014)

Strengthening institutional capacity of National Council on Climate Change as the National Focal Point on Climate Change in Indonesia, through enhancing coordination and evaluation of climate change policies Mitigation Adaptation

Capacity Development Assistance for Low Carbon Development in Indonesia (May 2014 – March 2016)

Promotion of investment and deployment of low carbon technologies, products, services, and infrastructure through Joint Crediting Mechanism (JCM) Mitigation

Indonesia-Japan Project for Development of REDD+ Implementation Mechanism (IJ-REDD+) (June 2013 – June 2016)

Development of REDD+ implementation mechanism by the Project to be integrated into national REDD+ mechanism Mitigation

Overview: JICA's Technical Cooperation on JCM for Low Carbon Development

- In Indonesia, JICA's Technical cooperation projects with
 - National Council on Climate Change (NCCC / DNPI) (Sep 2013 – Mid 2014)
 - Coordinating Ministry for Economic Affairs (CMEA) (Mid 2014 – Mar 2016)
- Aim to promote low carbon development strengthen capacity to effectively perform the duties related to JCM in Indonesia
 1. To operationalize JCM Indonesia Secretariat
 2. To enhance the capacity to monitor and evaluate the implementation of JCM
 3. To promote JCM for low carbon growth to potential project proponents and other related parties/stakeholders, and enhance their capacities
 4. To enhance additional capacities to assess policy issues relevant to JCM for low carbon growth

Project Design

of JICA Technical Cooperation with CMEA

[Overall goal]

Investment and deployment of **low carbon technologies**, products, services and infrastructure are **promoted** in Indonesia.

[Project purpose]

Capacity of the Joint Committee Team and the Secretariat of JCM to effectively perform the duties as stated in the Deputy Minister Decree 01/2014 is **strengthened**.

Output 1

JCM Secretariat becomes **operational**.

Output 2

JCM for low carbon growth is **promoted** to potential project proponents and other related parties/stakeholders, and their capacities are enhanced.

Output 3

Capacity to **monitor and evaluate** the implementation of JCM is **enhanced**.

Output 4

Additional capacities to **assess policy issues** relevant to JCM for low carbon growth are **enhanced**.

Progress: JICA's Technical Cooperation

- Operationalization of JCM In Indonesia

- Indonesia JCM Secretariat set-up
- Support for JCM project appraisal and registration cycle
- Business plan and midterm strategies of JCM secretariat
- Facilitating JCM processes including organization of meetings / stakeholder dialogues.



- Monitoring and Evaluation on JCM

- Site visit of JCM projects
- Periodical report on JCM



Progress: JICA's Technical Cooperation

Awareness Raising and Capacity Building

- Seminars and workshops
 - Celebration of 55 Years of Indonesia-Japan Diplomatic Relations (Dec. 2013)
 - Business Forum annually (April 2014, 2015)
 - Indonesia Green Infrastructure Summit 2015
- Indonesia JCM website and PR/outreach materials
- Outreach strategy
- Participation in international conferences and seminars: COP and SBSTA etc



Policy Studies

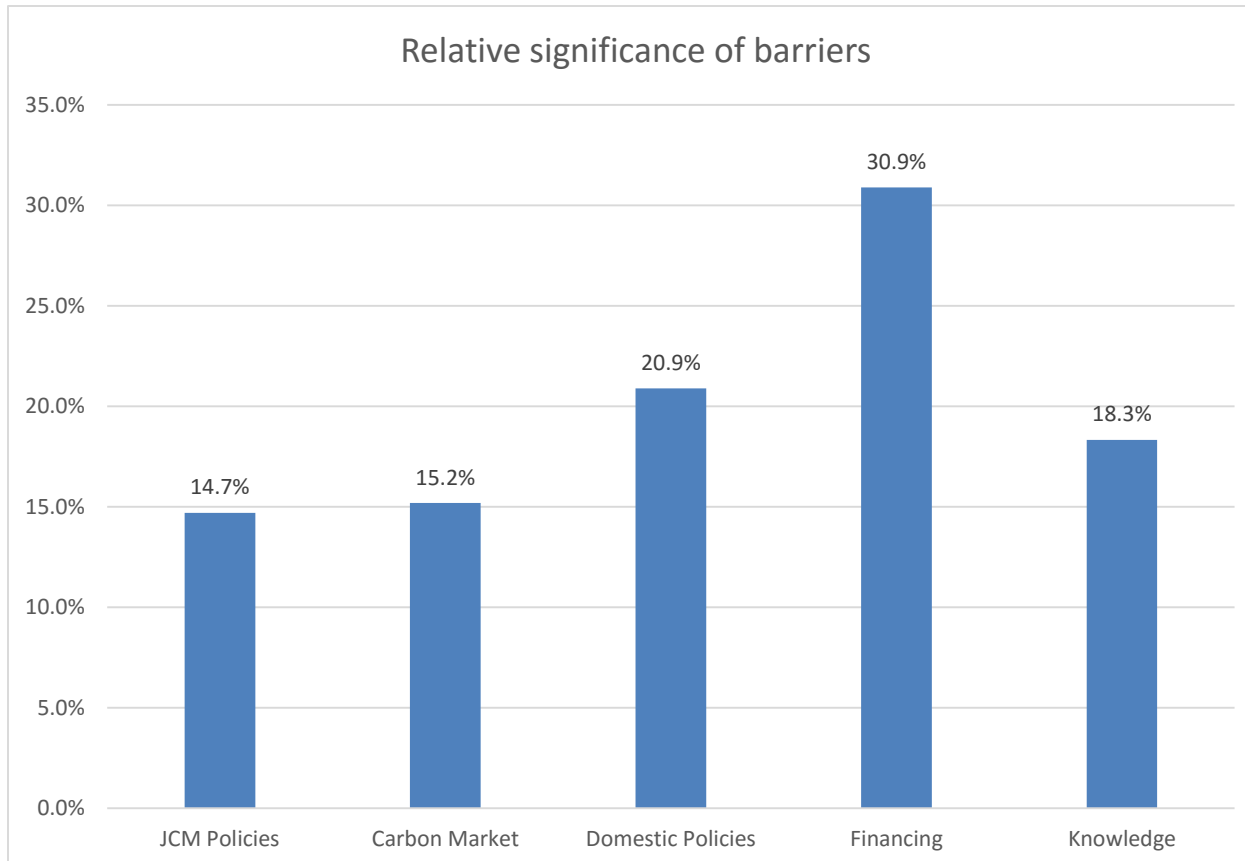
- Linkage with other domestic mitigation schemes
- Financing barriers and options
- Methane capture in palm oil sector



Lessons learnt from Cooperation

- Domestic policy issues identified
 - Relation with INDC / national mitigation plan
 - Harmonization with domestic MRV and registry systems
 - Sector/project specific issues
- Strong ownership in host country is key
 - Smooth JCM implementation in sustainable manner.
- JCM institutional development including the secretariat in Indonesia could:
 - Raise awareness. Enhance coordination with stakeholders
 - Facilitate processes to advance rules and guidelines

Survey Results on Potential JCM Barriers in Indonesia (at Business Forum)



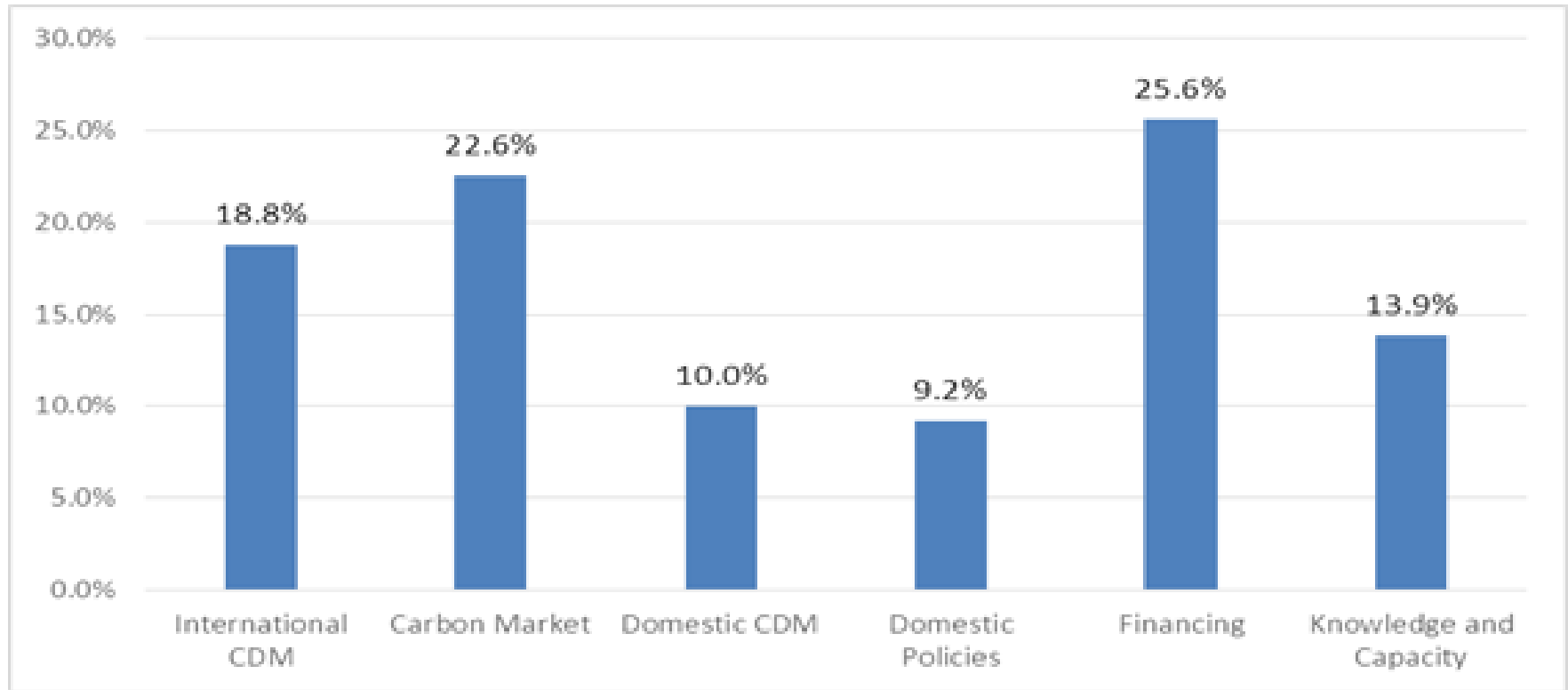
- **Financing Barriers**
- Domestic Policies and Rules not specifically related to JCM
- Knowledge and Capacity Barriers

Lessons from CDM in Indonesia

- Early period of CDM implementation (until 2008), major barriers are identified by interviews:
 - Financing barriers
 - Domestic policy Issues not specific related to CDM
 - knowledge and capacity barriers
- Our survey results in 2013 shows that key barriers of CDM implementation in Indonesia are:
 - Financing Barriers
 - International CDM Policies and Rules
 - Carbon Market Barriers

(see next slide for more details)

3 Significant Barriers to CDM project implementation in Indonesia



- Financing Barriers
- Domestic Policies and Rules not specifically related to JCM
- Knowledge and Capacity Barriers

Possible Next Steps

- Address key domestic policy issues, i.e.
 - Assessment on relation between RAN-GRK (National Mitigation Action Plan) and JCM
 - Financing issues / sector specific issues
- Further streamlining domestic policies related to JCM and address the specific issues
- Identify capacity development needs/gaps and provide activities toward them

JICA cooperation with Government of Indonesia will also work on the above by conducting policy assessments and necessary capacity building activities, until end of the cooperation.