



DNA of REDD+?

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The Indonesia DNA

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Outlines



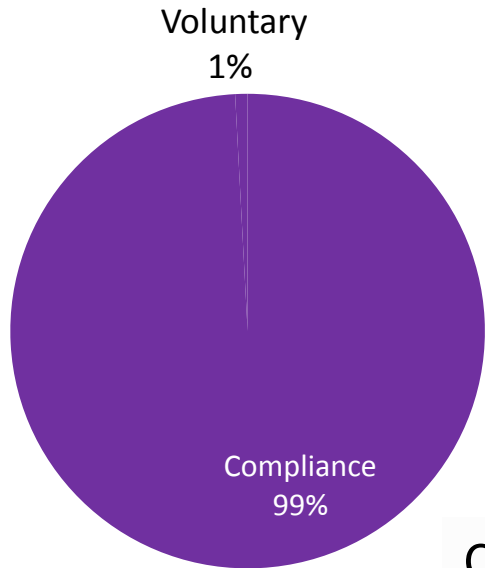
- 1. Introduction**
- 2. Global and Indonesia carbon market condition**
- 3. NCCC roles in carbon market**
- 4. Status and roles of DNA**
- 5. Future carbon market and REDD+**
- 6. Our preparation for new carbon market**

New decisions on market mechanism in Durban

- ◆ Defines a new market-based mechanism for post 2012
- ◆ Carbon Capture and Storage (CCS) is agreed as a CDM
- ◆ **Possibility to finance REDD+ using the carbon market mechanism.**

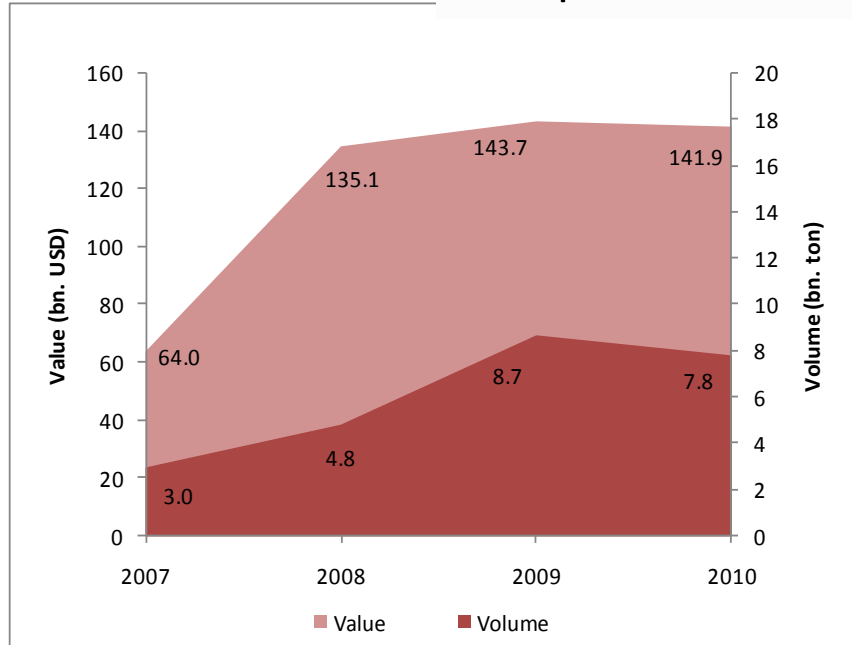


Global carbon market condition

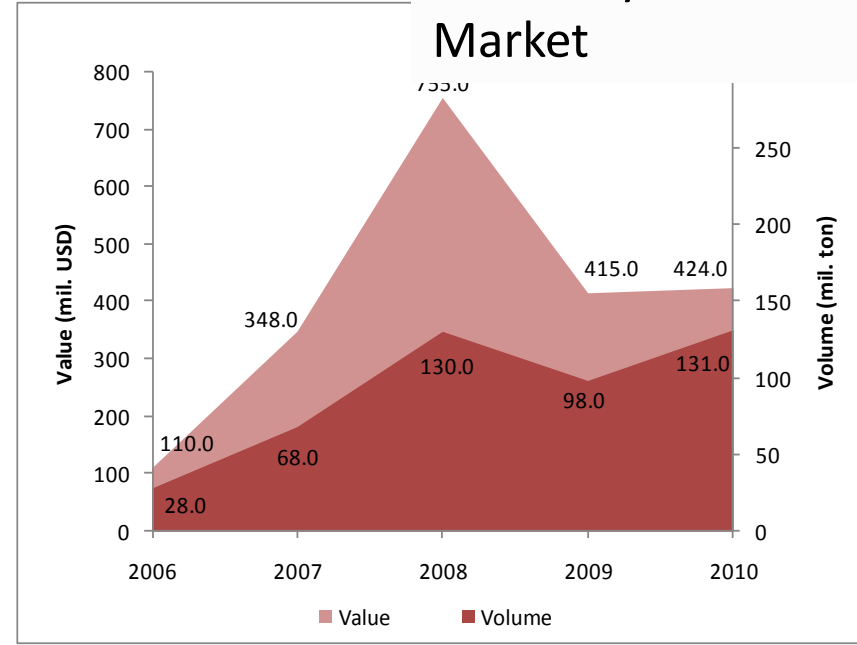


- Carbon market can be divided into compliance market and voluntary carbon market
- The carbon market demands are coming from countries and industries that have obligation to reduce their emissions.

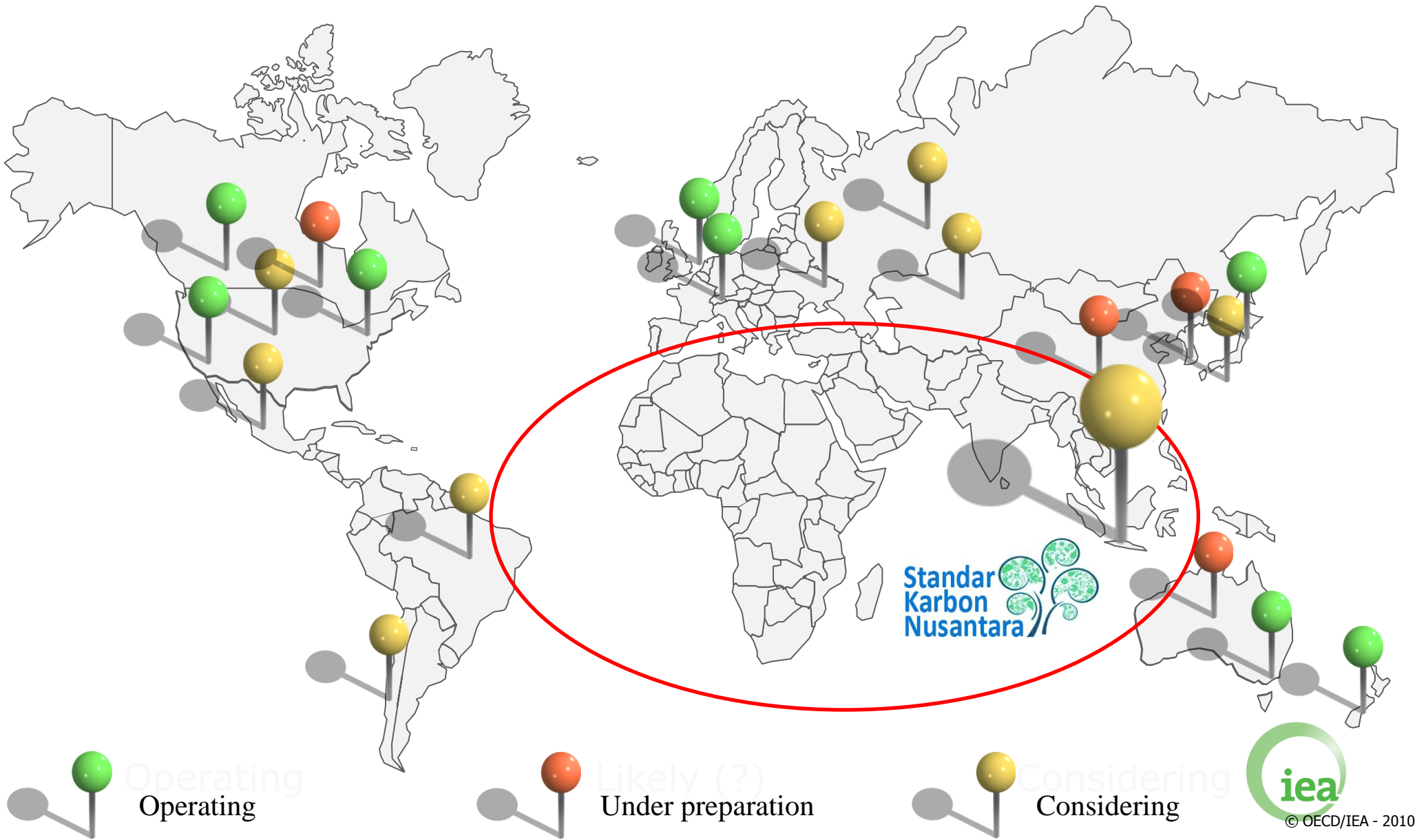
Compliance Market



Voluntary Carbon Market



Current and proposed emissions trading system

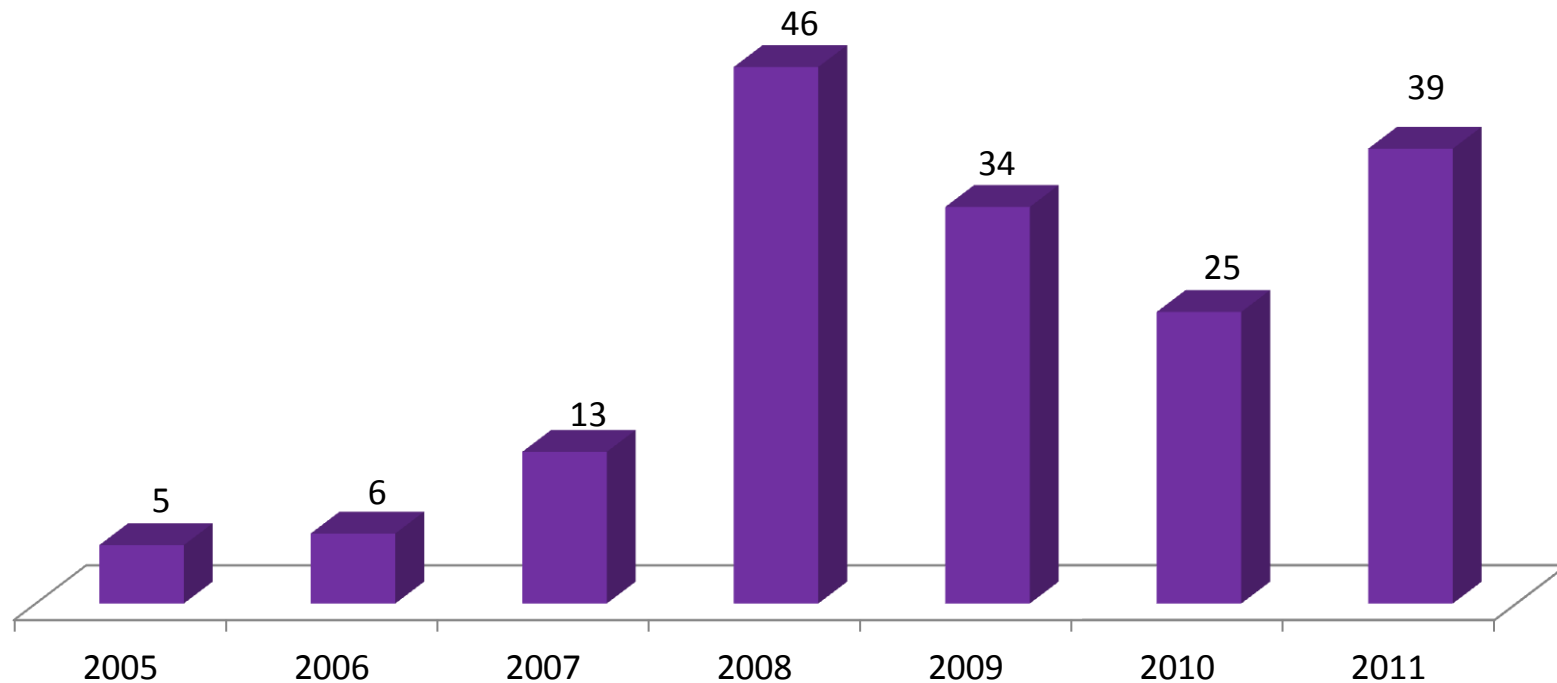


The Role of NCCC (the DNPI) on carbon market mechanism

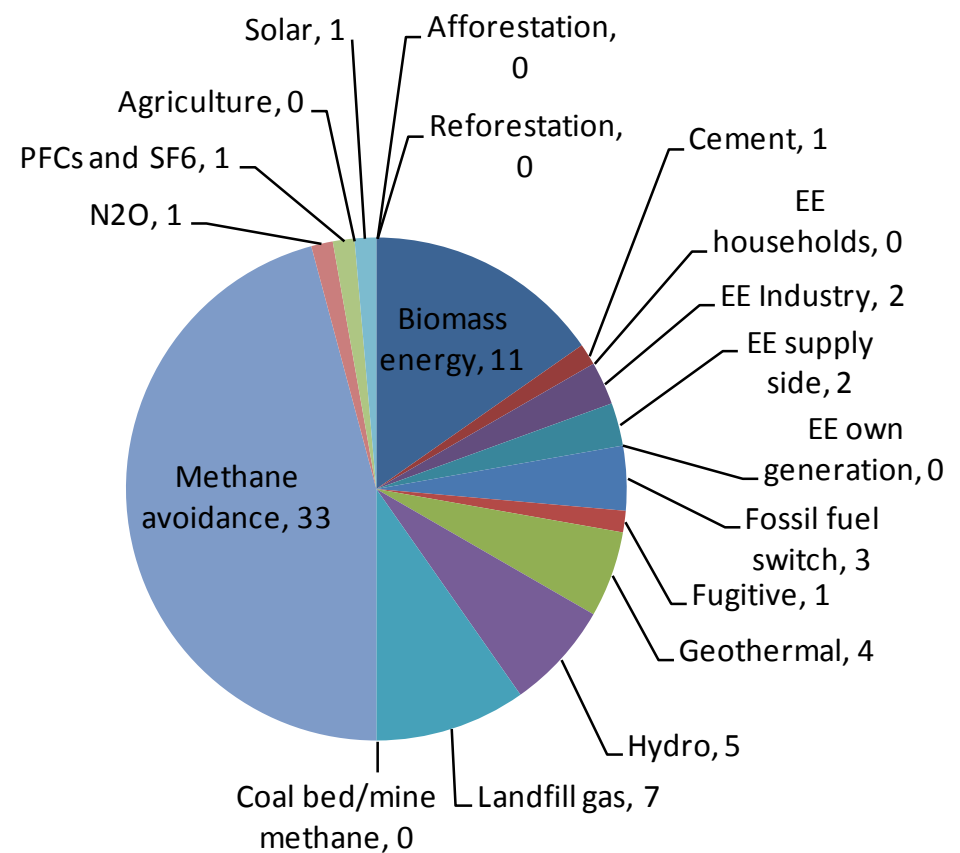
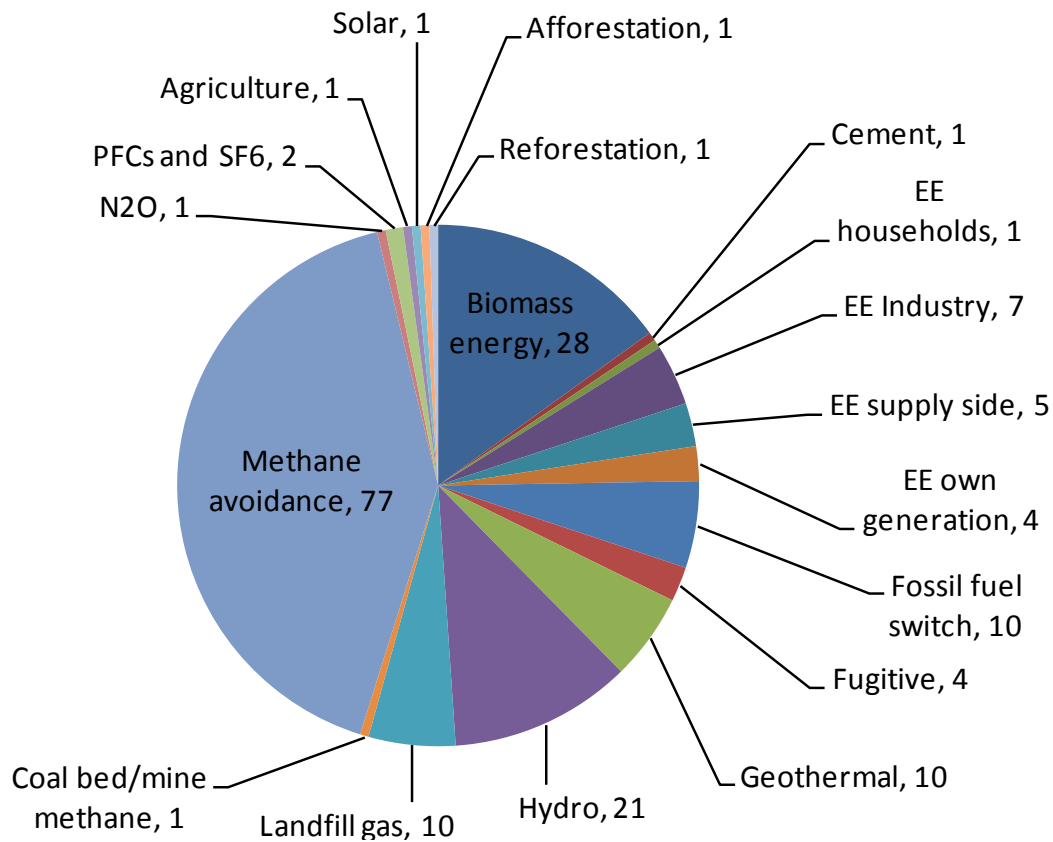
- ◆ NCCC has 5 mandates, one of the most important thing is to develop carbon trading mechanism in Indonesia (Presidential Decree number 46, 2008)
- ◆ NCCC is the Indonesia's focal point to UNFCCC, and also the focal point for another carbon market related international forum and negotiation e.g. bilateral initiatives with the Japan and Australia
- ◆ The Executive Chairman of the NCCC is also the Head of the Designated National Authority for Clean Development Mechanism (CDM) in Indonesia, called "**Komite Nasional Mekanisme Pembangunan Bersih/Komnas MPB**"
- ◆ The Carbon Trading Mechanism Division also acts as the Secretariat of DNA-CDM in Indonesia.

The Indonesia CDM Projects

- 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**
- 2011 - total 168 projects received DNA approval (as of Dec. 31st, 2011)



The Indonesia CDM and voluntary projects



- ✓ Total CER expected until 2012 : 50,132,380 CER; mostly from methane avoidance
- ✓ Total CER expected until 2012 from the registered projects : 27,513,180 CERs; mostly from geothermal
- ✓ There are more than 20 voluntary carbon markets that being developed in Indonesia
- ✓ Some of the so called “REDD+” projects goes to the voluntary carbon market
- ✓ About 2,5 millions VER are already issued for voluntary carbon market projects.

The present CER Issuanced (nothing from Forestry)

No.	Title	Province / State	Type	Sub-type	CERs	Expected CERs	Issuance success
1	CDM SOLAR COOKER PROJECT Aceh 1	Aceh	Solar	Solar cooking	1,077	6,060	18%
2	Methane Capture and Combustion from Swine Manure Treatment Project at PT Indotirta Suaka Bulan Farm in Indonesia	Riau	Methane avoidance	Manure	42,716	221,485	19%
3	Indocement Alternative Fuels Project	West Java & South Kalimantan	Biomass energy	Agricultural residues: other kinds	80,967	258,308	31%
4	Indocement Blended Cement Project	West Java & South Kalimantan	Cement	Clinker replacement	93,973	859,707	11%
5	Darajat Unit III Geothermal Project	West Java	Geothermal	Geothermal electricity	1,329,960	1,390,111	96%
6	Tambun LPG Associated Gas Recovery and Utilization Project	West Java	Fugitive	Oil field flaring reduction	1,400,377	975,626	144%
7	MEN-Tangerang 13.6MW Natural Gas Co-generation Project	Banten	EE supply side	Cogeneration	17,154	21,836	79%
8	Emission reductions through partial substitution of fossil fuel with alternative fuels in the 2 cement plants of PT Holcim	West Java & Central Java	Biomass energy	Agricultural residues: other kinds	12,335	106,284	12%
9	4MW Biomass Power Plants Using Waste Wood Chips & Sawdust in Central Java	Central Java	Biomass energy	Forest residues: sawmill waste	10,982	14,322	77%
10	Gianyar Waste Recovery Project	Bali	Methane avoidance	Composting	2,110	6,713	31%
11	Methane Recovery in Wastewater Treatment, Project AIN07-W-01, Sumatera	South Sumatra	Methane avoidance	Waste water	14,472	41,349	35%
12	Methane Recovery in Wastewater Treatment, Project AIN07-W-05, Sumatera	North Sumatra	Methane avoidance	Waste water	30,235	42,206	72%
13	BAJ Gunung Agung Factory tapioca starch wastewater biogas extraction and utilization	Lampung	Methane avoidance	Waste water	6,858	30,779	22%
14	Kamojang Geothermal	West Java	Geothermal	Geothermal electricity	92,691	81,660	114%
Total					3,135,907	4,056,445	77%

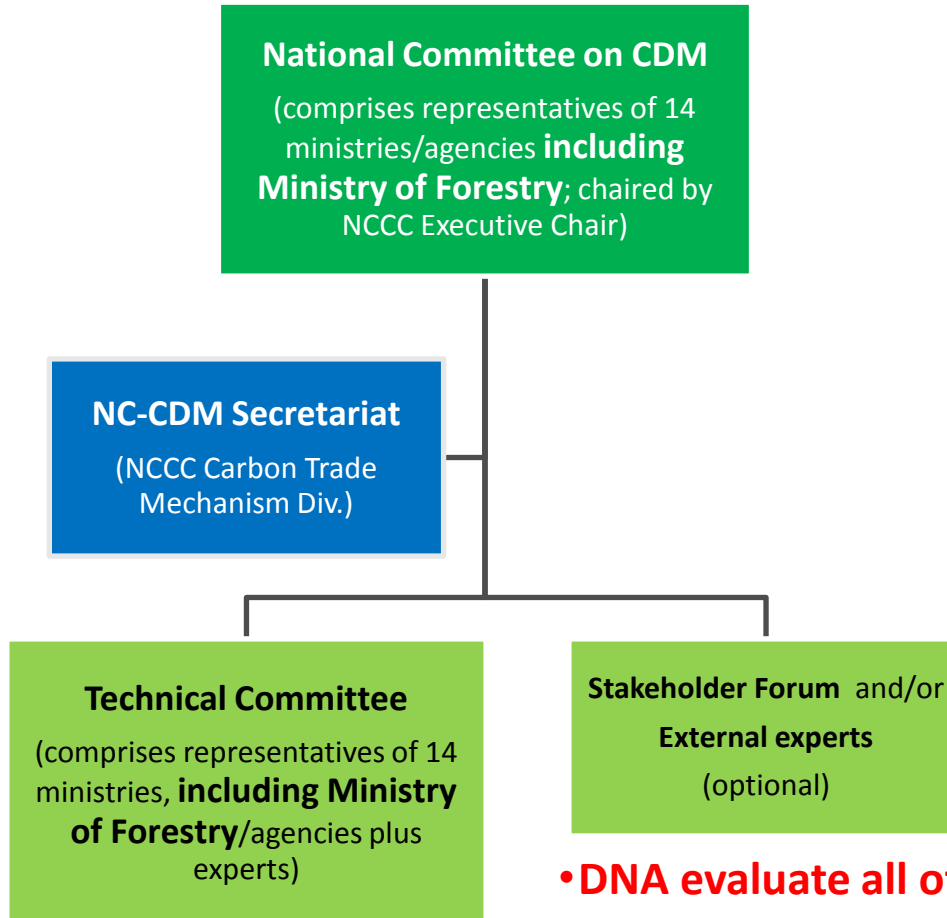
What is DNA in CDM?

Designated National Authority

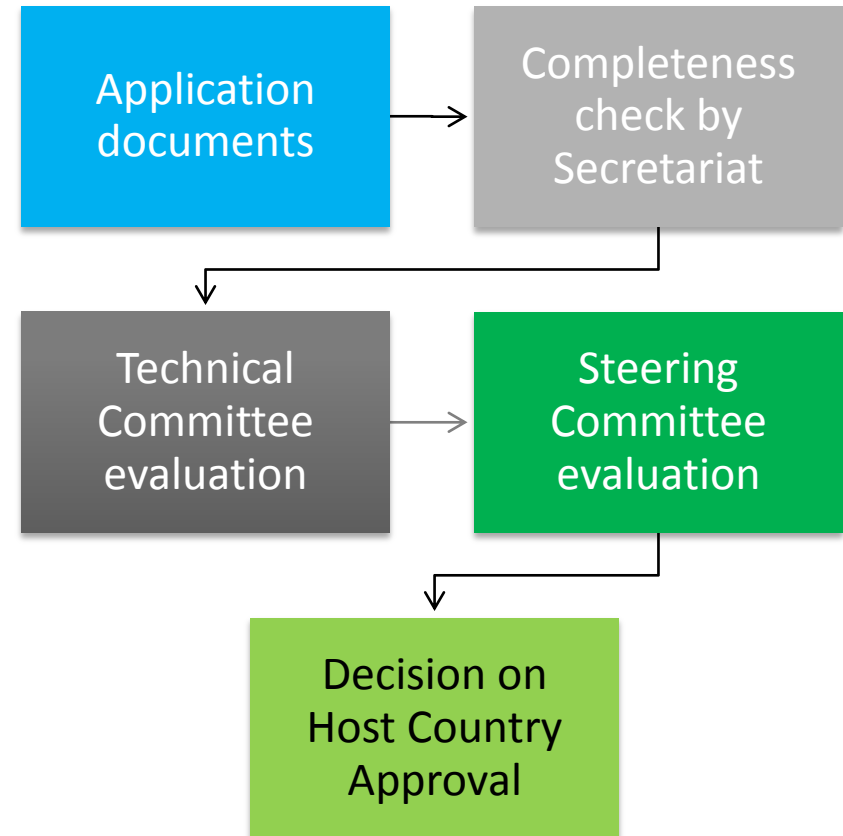
- ◆ The designated national authority (DNA) is the body granted responsibility by a Party to authorize and approve participation in CDM projects. The CDM rules provide only limited guidance on the role of the DNA or the requirements for establishing a DNA. These issues are instead left to the Party to determine.
- ◆ The CDM rules do provide, however, that each Party is required to establish a DNA:
 - Parties participating in the CDM shall designate a national authority for the CDM (3/CMP.1, Annex, paragraph 29).
 - Establishment of a DNA is one of the requirements for participation by a Party in the CDM.
- ◆ The role of the DNA is to provide the letter of approval to project participants in CDM projects. In the case of the host Party DNA, this letter of approval must confirm that the project activity contributes to sustainable development in the country.
- ◆ **One country only need one DNA.**

How to apply a project to DNA? (Indonesia case)

DNA Organization Chart



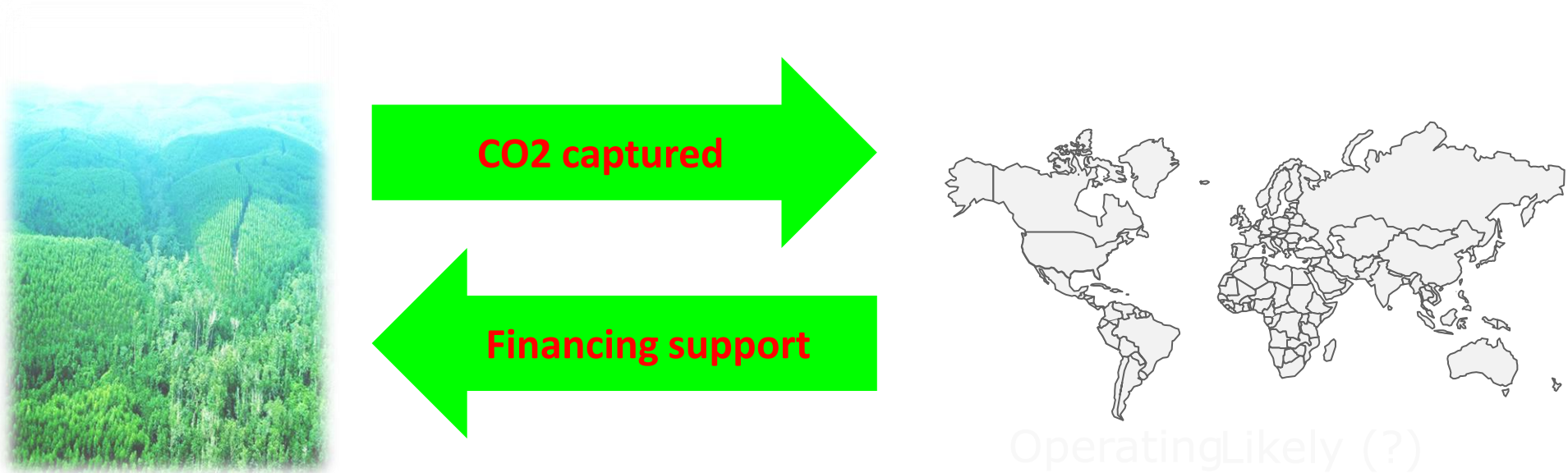
DNA Procedures for LoA Issuance



- **DNA evaluate all of the sustainable development criteria: economic, social, technology transfer, human resources, and environment**
- **In Indonesia, it takes 10 weeks on average for the LoA issuance**

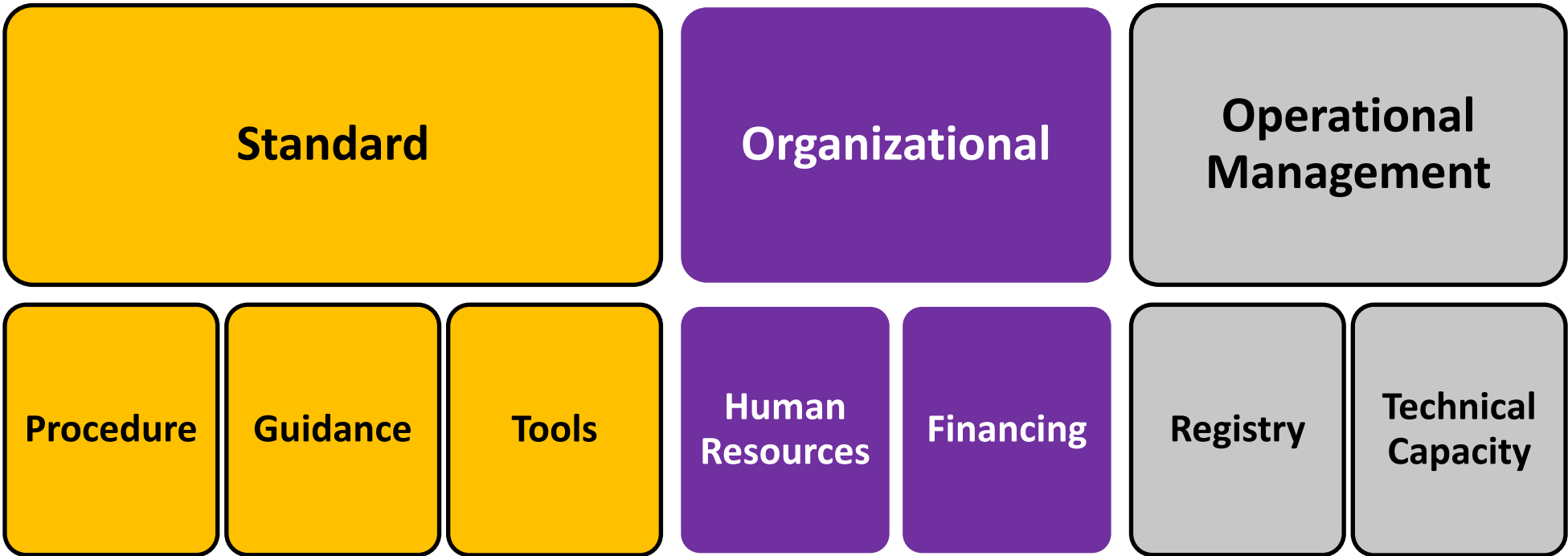
REDD+ as part of mitigation, and carbon market

- ◆ Reducing Emissions from Deforestation and forest Degradation in Developing Countries
- ◆ Reducing Deforestation = Reduce the EMISSION
- ◆ And opening the opportunity of developing country Parties



Inside the DNA

Carbon Market Mechanism



DNA, current and future

Pre 2012

CDM
projects

Post 2012

New
carbon
market

Designated National Authority

- To ensure the implementation of sustainable development criteria and environment integrity.
- To avoid the international and national double accounting possibilities.
- Monitoring and registry of the carbon projects.

Sustainable
Development
+
CER

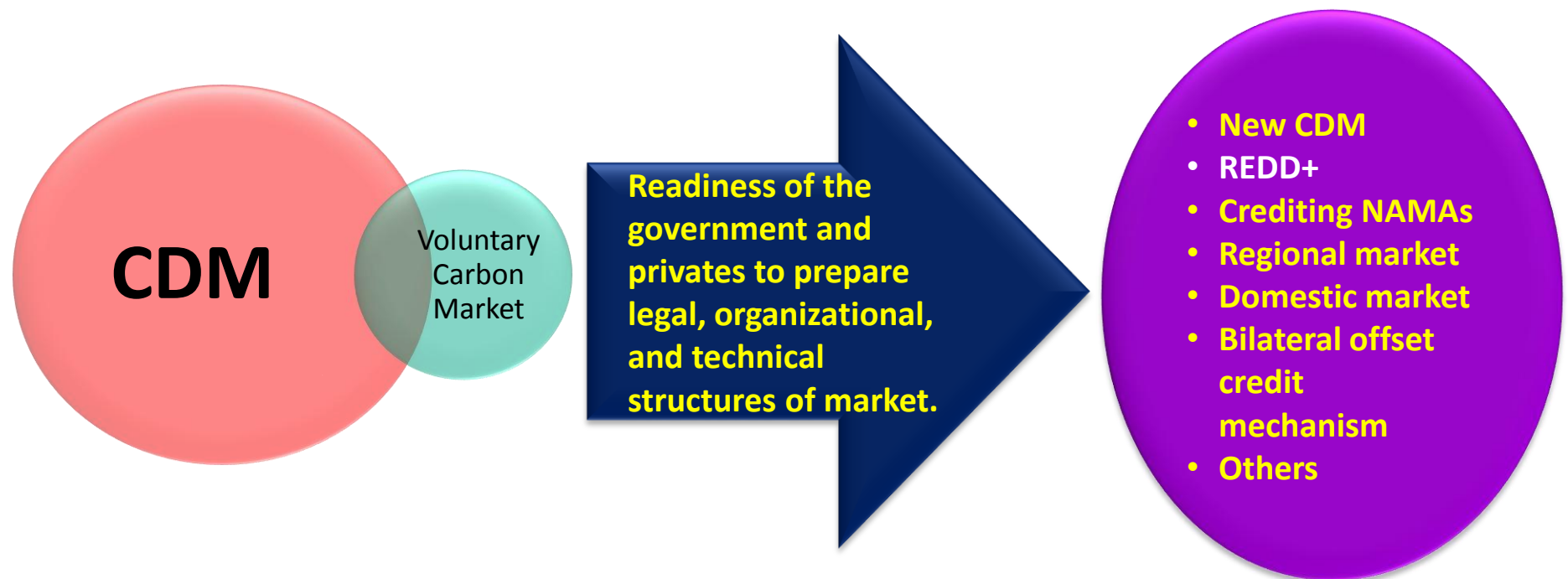
Emission
reduction
+
Financing
support

Voluntary market projects

Voluntary market projects



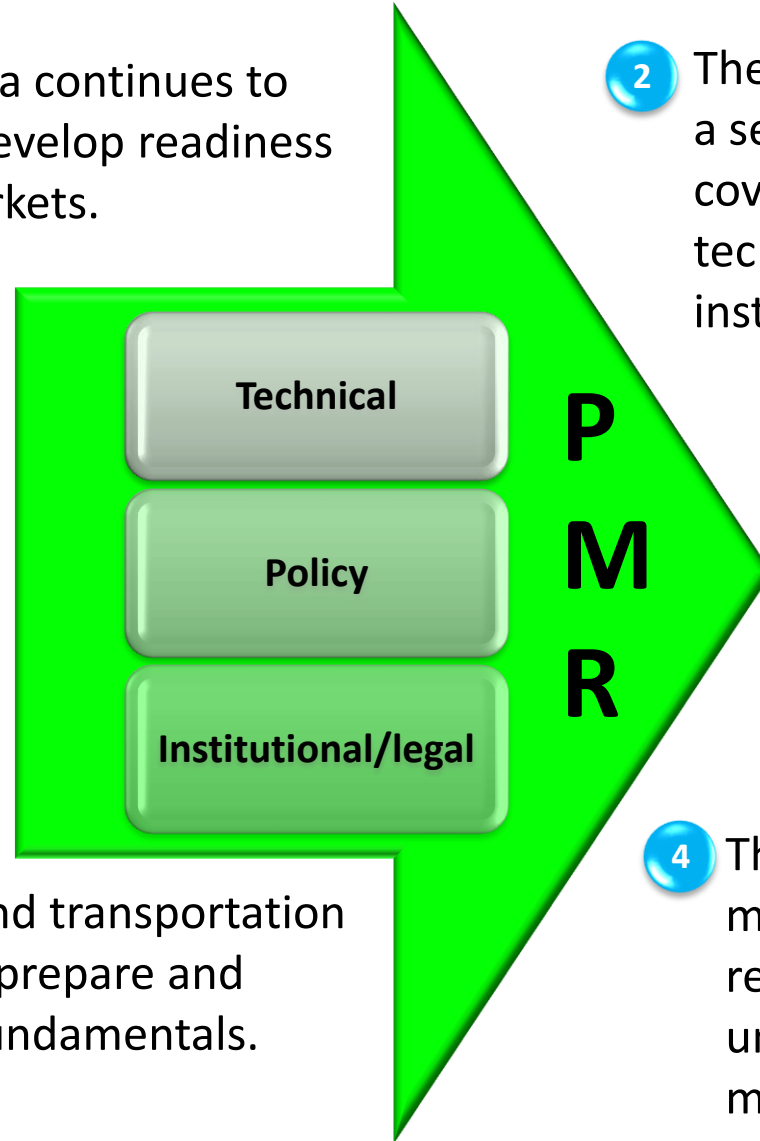
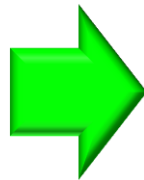
New carbon market possibilities



- Reformed CDM post-2012
- Programmatic CDM (we have issued 5 LoAs)
- REDD+
- Creditable NAMAs
- Bilateral offset mechanism (Japan proposal, 32 FS have been done)
- Voluntary market and domestic market
- Regional market (with Australia and New Zealand)

Indonesia market readiness for the new carbon market preparation

1 With PMR support, Indonesia continues to prepare building blocks to develop readiness for next possible carbon markets.



2 The proposal will comprise a series of activities covering readiness on technical, policy, and institutional/legal elements



3 Focus on energy, industry, and transportation sectors with an objective to prepare and strengthen carbon market fundamentals.

4 The next possible carbon markets include domestic, regional, and global market under or outside UNFCCC mechanisms.



Terima kasih
Thank you
Hatur nuhun

