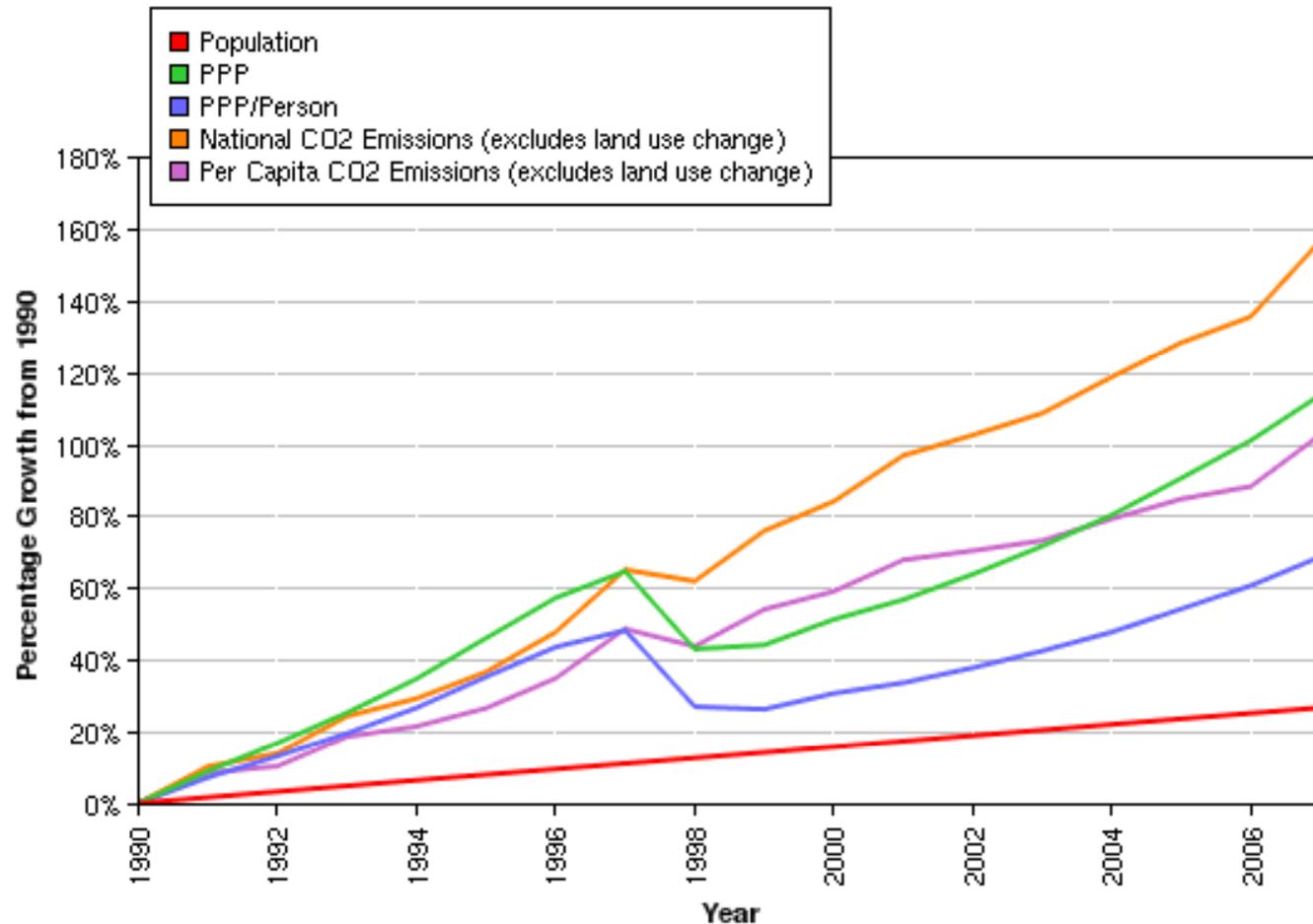


# Carbon Market Role in Indonesia Climate Change Mitigation



# The Indonesia economic growth

Economic and GHG emissions growth are still coupled.

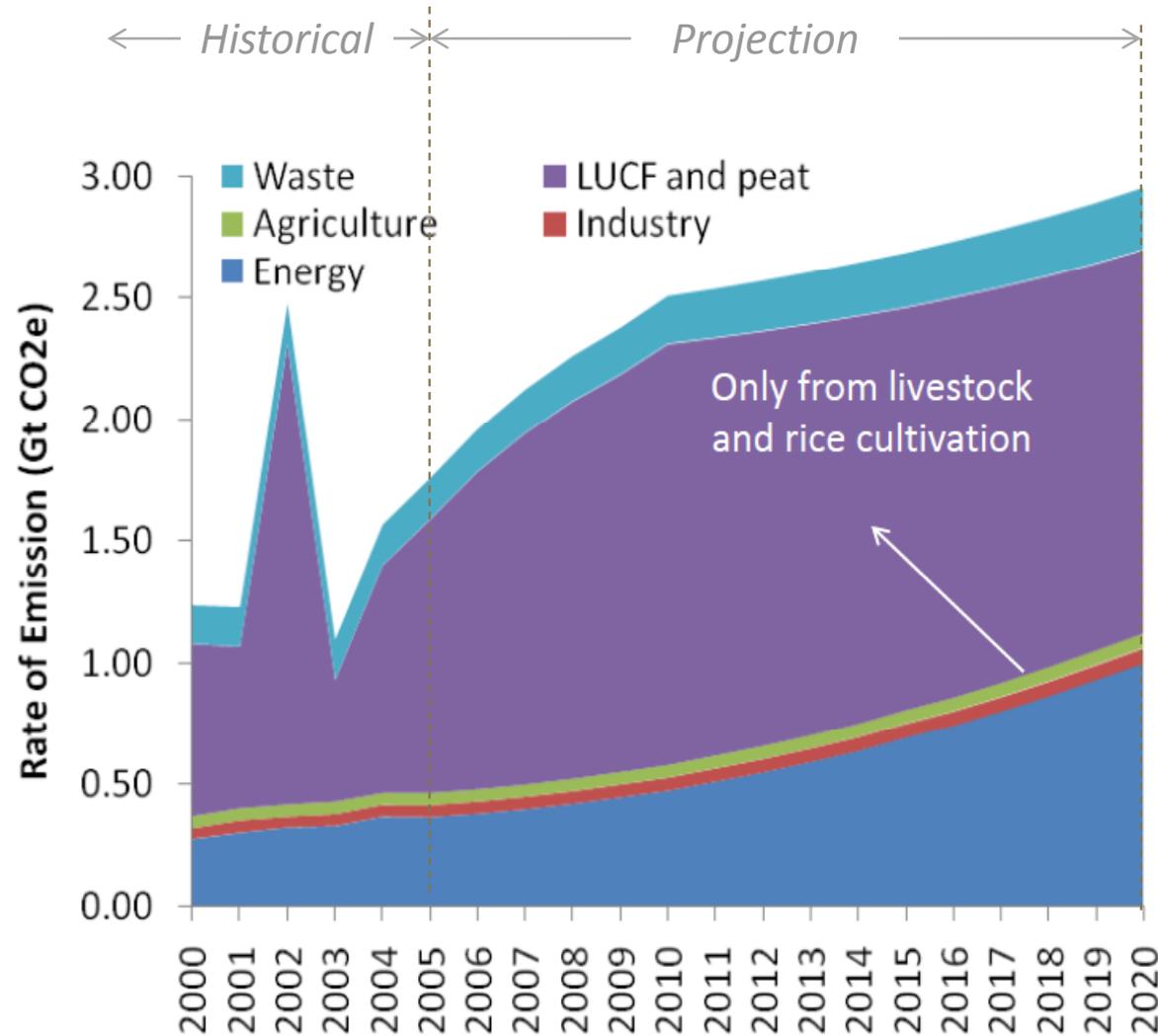


Source: WRI

- 2011 GDP: USD846 billion with income per capita of USD3,500
- Average economic growth: 6%
- Energy elasticity: >1



# Indonesia CO2 emission



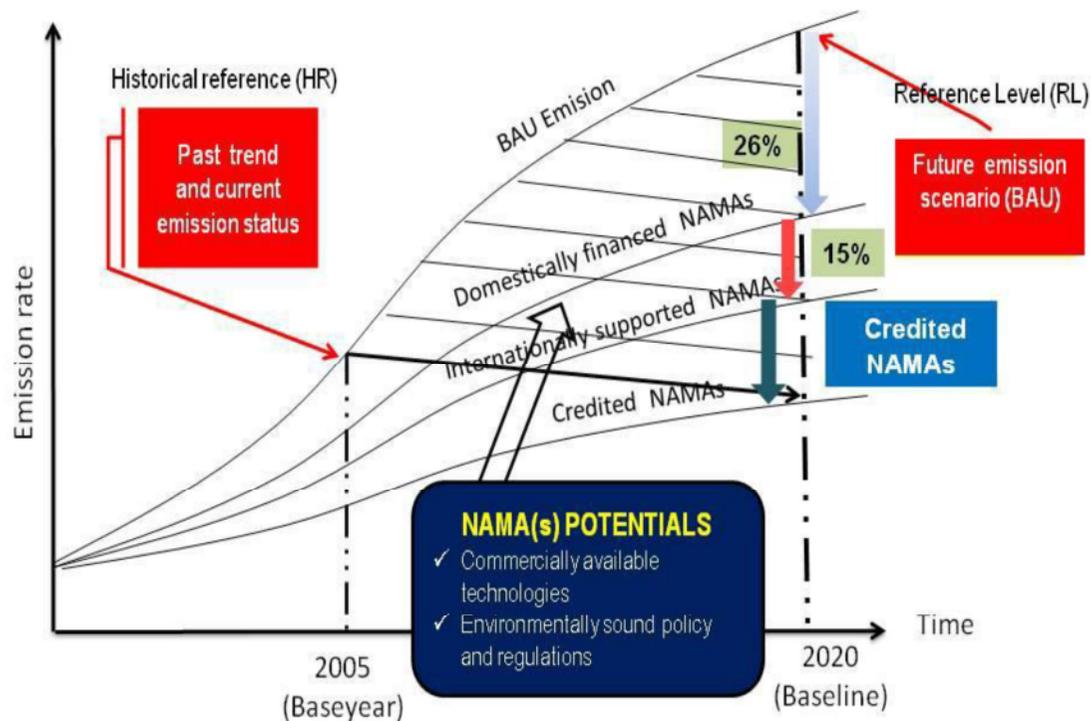
- 2005 GHG emissions: 1,791 MtCO<sub>2</sub>e
- 2020 emissions projected to reach 2,950 MtCO<sub>2</sub>e
- LUCF and peat major sources of emission until 2020
- Energy-related emissions will be the fastest-growing

Source: Second National Communication



# Our emission reduction commitment

Emissions reduction commitment in 2009 devised from LULUCF and energy mix policies, setting targets of 26% with own resources and additional 15% with international support, by 2020 against BAU scenario.



Source: BAPPENAS

## Key emissions reduction areas:

1. Sustainable peat land management
2. Reduction of deforestation and land degradation
3. Carbon sequestration development
4. Promoting energy saving
5. Alternative and renewable energy resource development
6. Solid and liquid waste reduction
7. Shift to low-emission transport modes

Reduction beyond unilateral and supported NAMAs is possible to be credited.



# How we finance our mitigation action

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## Mitigation

market based mechanism

government  
budget

private  
investment

FDI

carbon market

other markets

central and local  
government

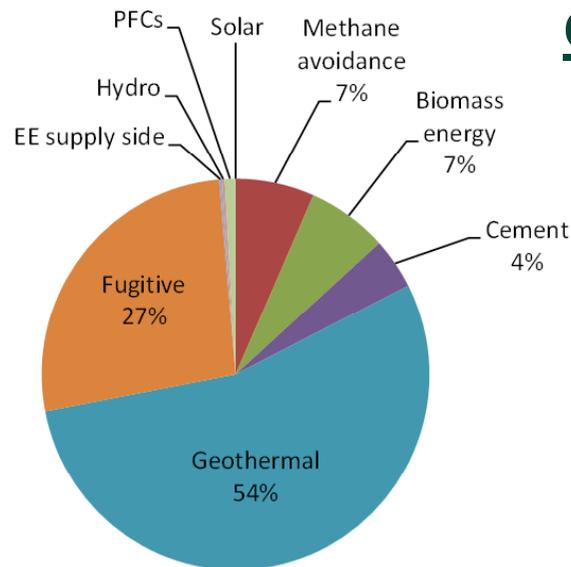
public private  
partnership and  
purely private

foreign private  
and government  
investment



# Our current carbon market development

Market instruments, e.g. CDM, proved to be effective to spur emissions reduction by industries.



## Clean Development Mechanism

- Total 214 CDM projects approved by Indonesia DNA,
- 141 projects registered, mostly of methane avoidance projects, and
- 33 CDM projects issued their CERs worth 9.22 million ton CO<sub>2</sub>, mostly of geothermal.

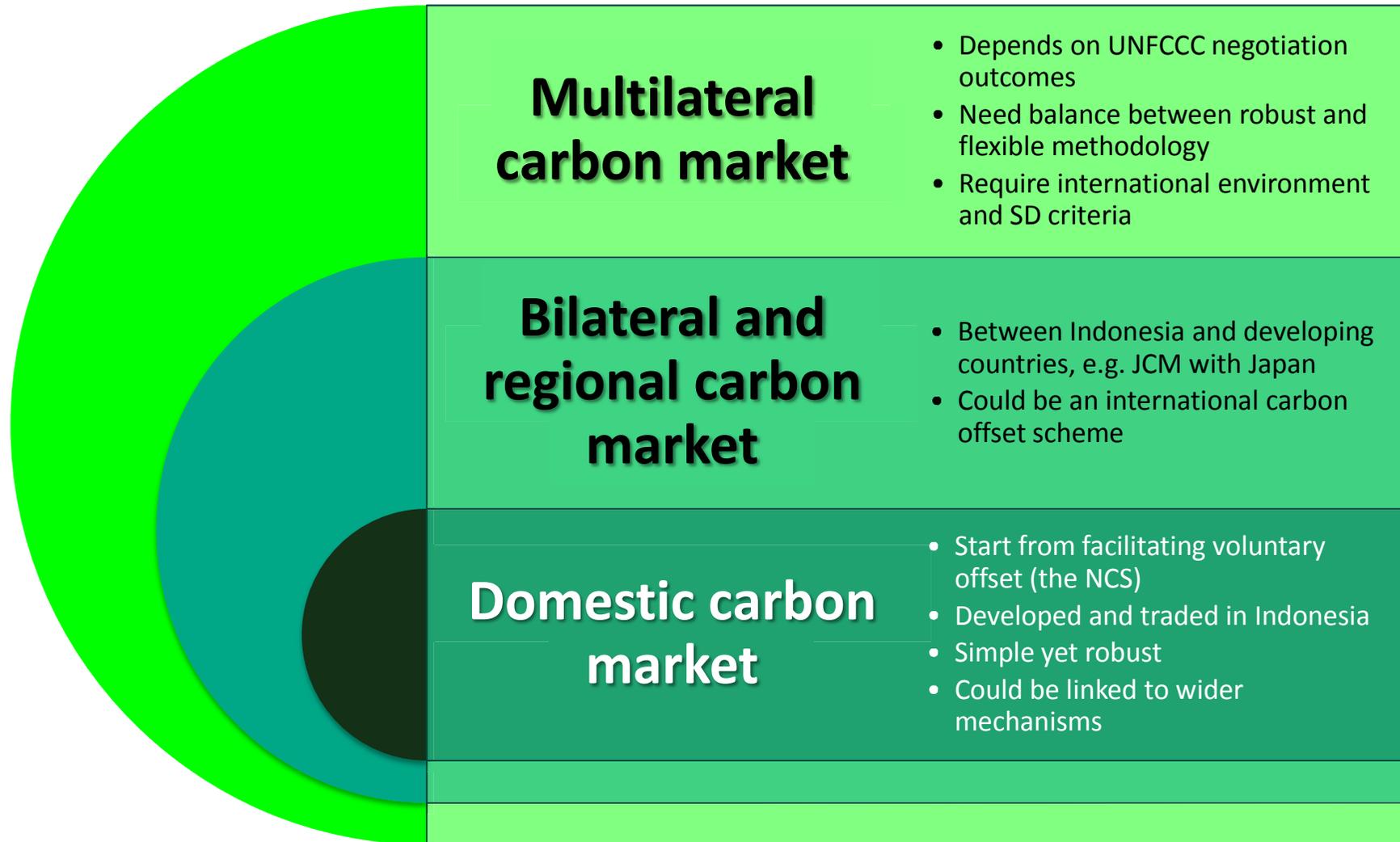
## Increasing opportunity from voluntary carbon market

- 11 VCS projects have been developed, including 1 REDD+ project in Central Kalimantan,
- Six of them have already produced 2,2 million ton VER.



# Indonesia strategy on carbon market development

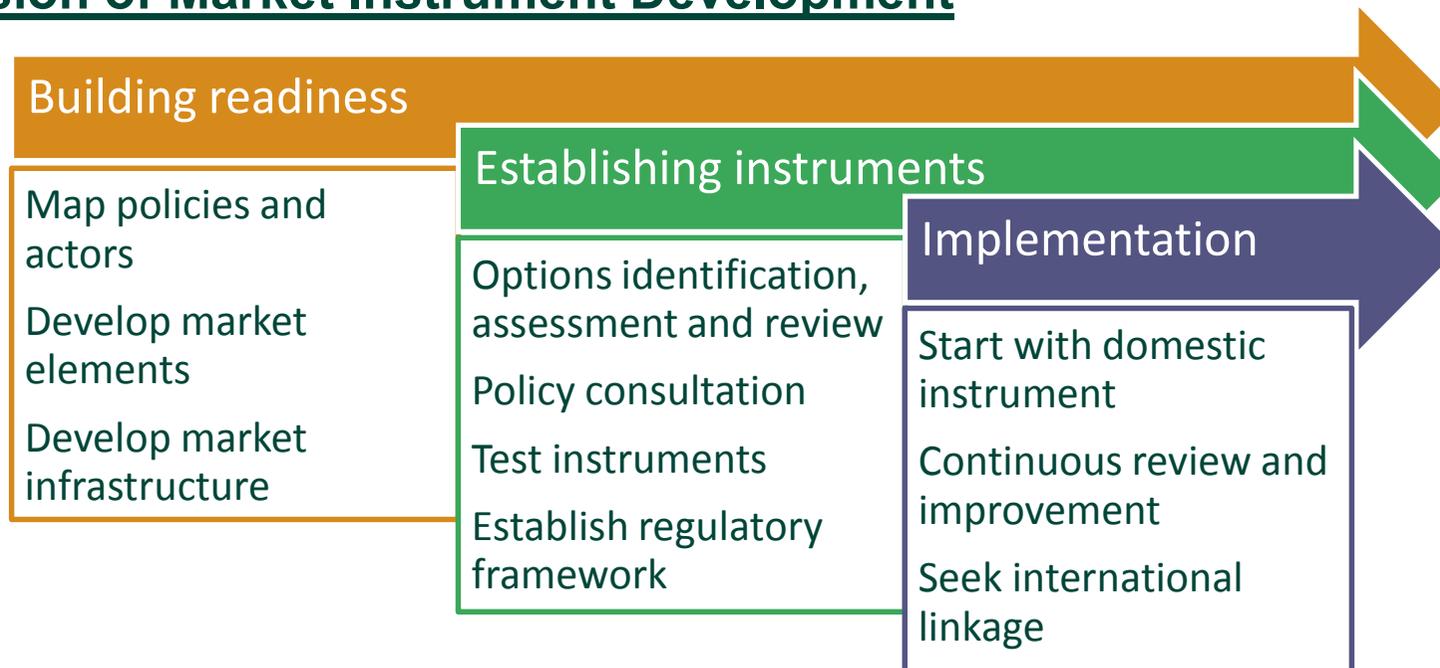
Indonesia highly considers further utilization of market instruments.



# Our vision on carbon market development

- Market-based approaches are to enhance the effectiveness of climate change/low carbon development policies.
- Development of market readiness, including market elements and infrastructure, aimed to encourage adoption of market approaches to scale-up implementation of existing/future mitigation activities.

## Vision of Market Instrument Development



**Terimakasih!**  
**Arigato gozaimasta!**  
**Thank you!**

