

Mutual Recognition Arrangement (MRA) on JCM between Japan and Indonesia and SPEI

Maiko UGA

Ministry of the Environment, Japan

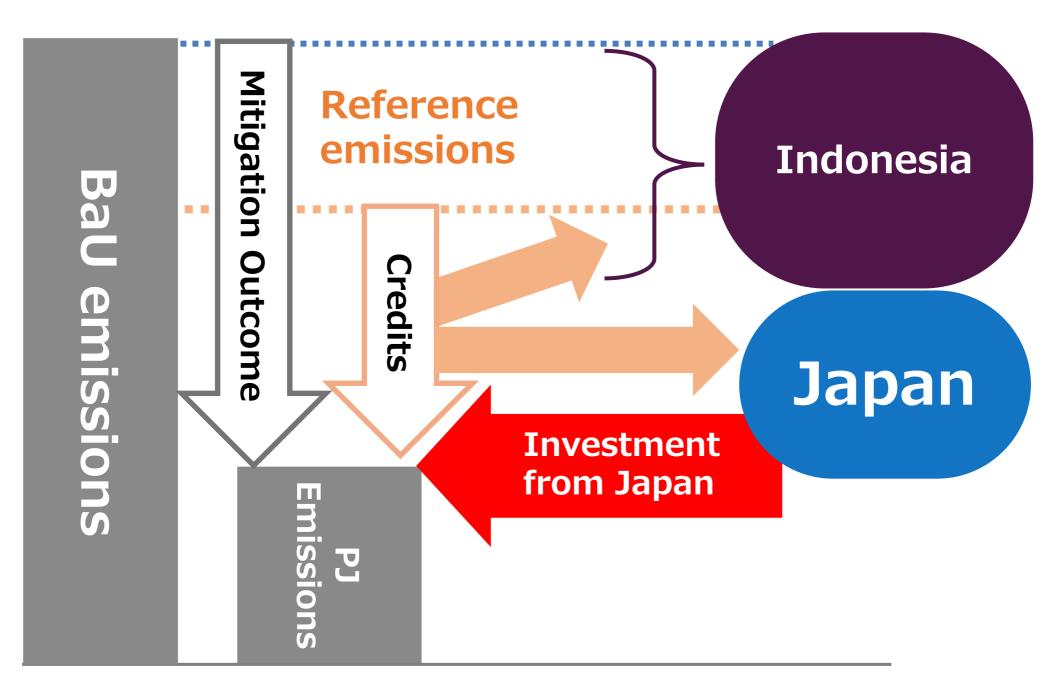
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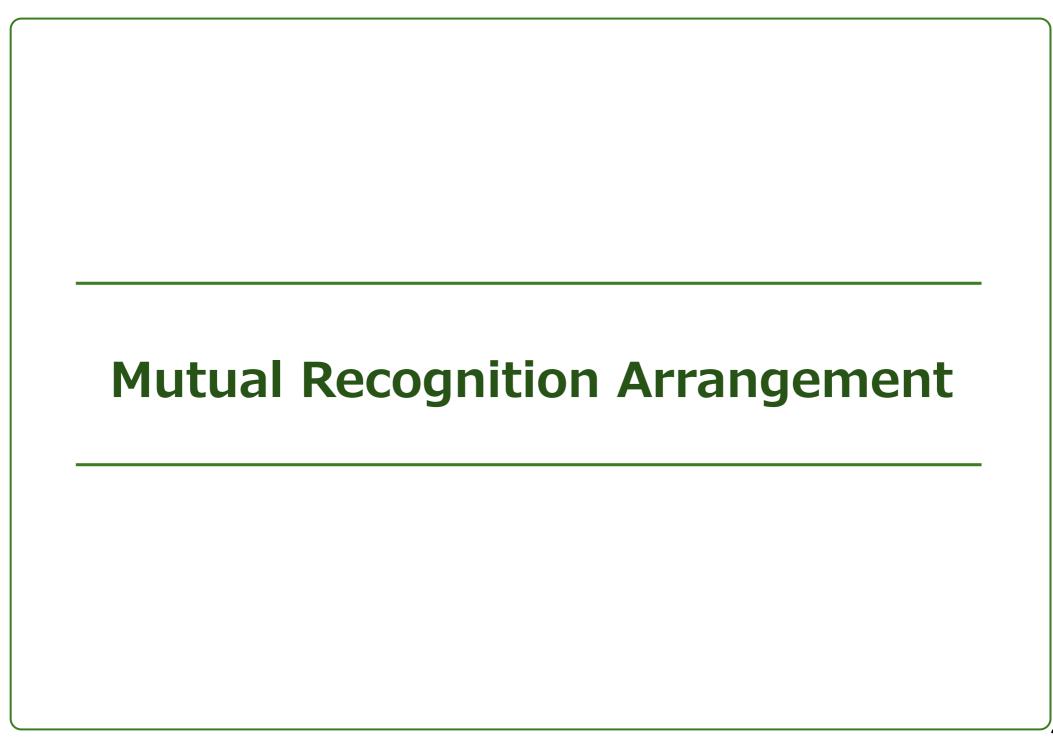
Forum on Promoting Business Engagement and Matching through the Joint Crediting Mechanism (JCM) to Expand Indonesia's Carbon Market



Basic Concept of the Joint Crediting Mechanism











MUTUAL RECOGNITION ARRANGEMENT

BETWEEN

THE MINISTRY OF ENVIRONMENT AND FORESTRY OF

THE REPUBLIC OF INDONESIA

AND

THE MINISTRY OF THE ENVIRONMENT OF JAPAN

ON

THE JOINT CREDITING MECHANISM BETWEEN JAPAN AND THE REPUBLIC
OF INDONESIA AND THE INDONESIAN GREENHOUSE GASES EMISSION
REDUCTION CERTIFICATION

The Ministry of Environment and Forestry of the Republic of Indonesia (hereinafter referred to as "MoEF") and the Ministry of the Environment of Japan (hereinafter referred to as "MoE") (hereinafter referred to individually as a "Side" and collectively as "Both Sides");

DESIRING to voluntarily collaborate, consistent with Article 6, paragraph 2 of the Paris Agreement, on the transfer of internationally transferred mitigation outcomes towards achieving their nationally determined contributions while promoting sustainable development, environmental integrity and transparency;

PROMOTING high integrity carbon markets;



on the Joint Crediting
Mechanism between Japan and
the Republic of Indonesia
and
the Indonesian Greenhouse
Gases Emission Reduction

Certification.

Indonesia

High-level Commitment on the MRA

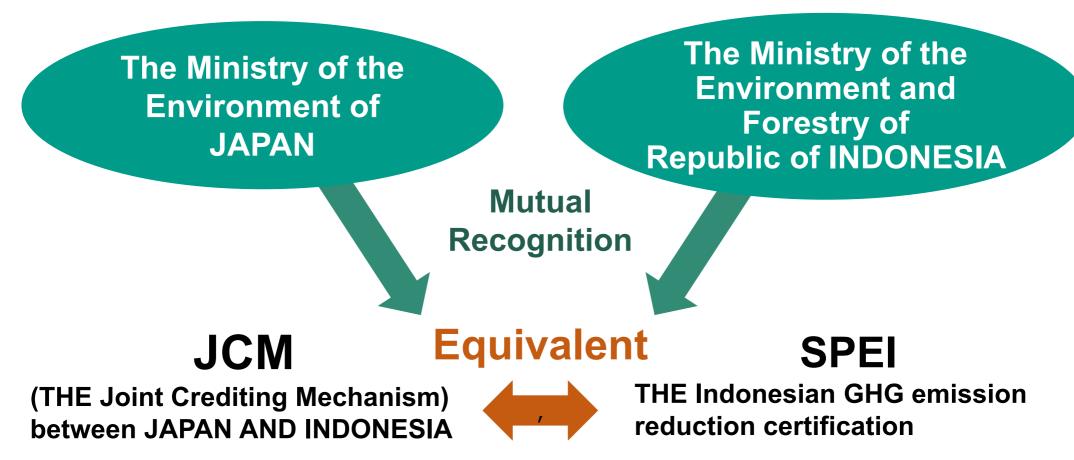




Mutual Recognition Arrangement on JCM and SPEI



- Mutually recognize each carbon credit registry, MRV, and certification system are operated and supervised consistent with the Paris Agreement
- Authorization and corresponding adjustments for registering JCM projects and issuing carbon credits in Indonesia are implemented in line with Indonesian regulations



Workflows of JCM/SRN&SPEI



Methodology

Validation Registration

MRV

Issuance

Indonesia
"Indonesia
GHG Emission
Reduction
Certification
Scheme

(SPEI)

■ Methodology is:

- Approved by the UNFCCC,
- Determined by the Intl. & National Standardization Agency; and/or
- Determined by the DG of CC.
- Validation and Verification Body (LV/V) validates proposed projects.
- LV/V bodies are accredited by KAN for the NEK Scheme within the scope of activities

Projects are registered in the National Registry System (SRN).

■ Validation and Verification Body (LV/V) that has been accredited by KAN for the NEK Scheme within the scope of activities verifies emission reductions. ■ The issued SPE-GRK will be added to the Participant's account in the SRN PPI carbon registry.



- Methodologies are formulated are taken into consideration contribution to emission reductions or removals.
- Joint Committee (JC) approves methodologies.

Equivalent

- Third party entities (TPEs), validate proposed projects.
- TPEs are accredited under ISO 14065 or the DOEs and designated by the JC



- JC registers validated projects.
- Project design documents are formulated following Project Idea Note(PIN).



- Project
 participants
 (PPs) monitor
 and reports
 emission
 reductions (ERs).
- TPEs verify emission reductions.



- The JC decides to issue credits in the registry of Indonesia and that of Japan.
- Each government issues credits in each registry.

Bilateral
Cooperation

"JCM"

Recording the Project Info in SRN



E. Recording of JCM Projects in Indonesia

- 11.Both Sides recognize that the JCM project information is recorded in the National Registry System for Climate Change of Indonesia (SRN PPI).
- 12. The project information above includes a year of emission reduction or removal for credits, projects in process and planned projects under the JCM.

Sistem Registri Nasional (SRN)

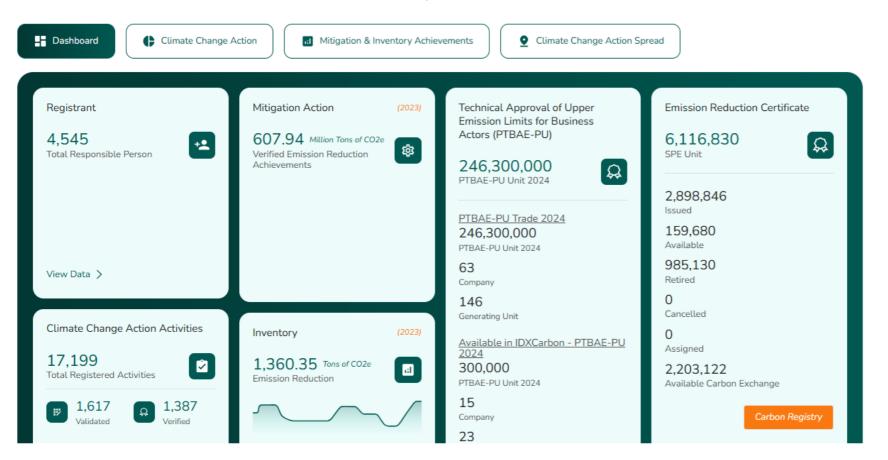


National Climate Change Registry System https://srn.menlhk.go.id/



National Climate Change Registry System

Register your activities as a form of contribution to efforts to increase national resilience and prevent the increase in the earth's temperature from more than 1.5° C.



Sharing the benefits under the JCM



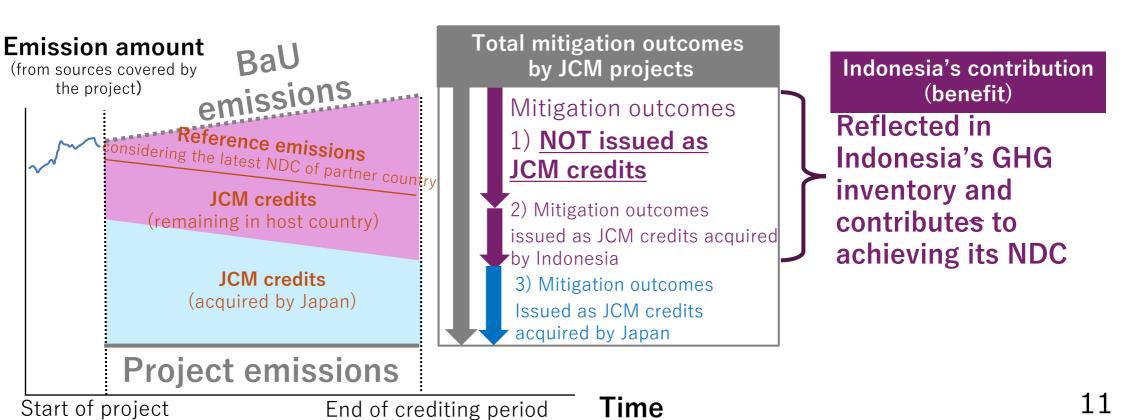
D. Sharing of Carbon Credits, Authorization, Corresponding Adjustment and Registration in NDCs

- 8. Both Sides acknowledge the fair sharing of carbon credits from JCM projects using SPEI, taking into account the contribution of each government and project participant for each project.
- 9. Both Sides acknowledge the implementation of authorization and corresponding adjustments for registering the carbon credits resulting from the JCM using SPEI as part of the NDCs.
- 10.Both Sides develop reports consistent with relevant guidance of the Paris Agreement.

1. Total mitigation outcomes by JCM projects



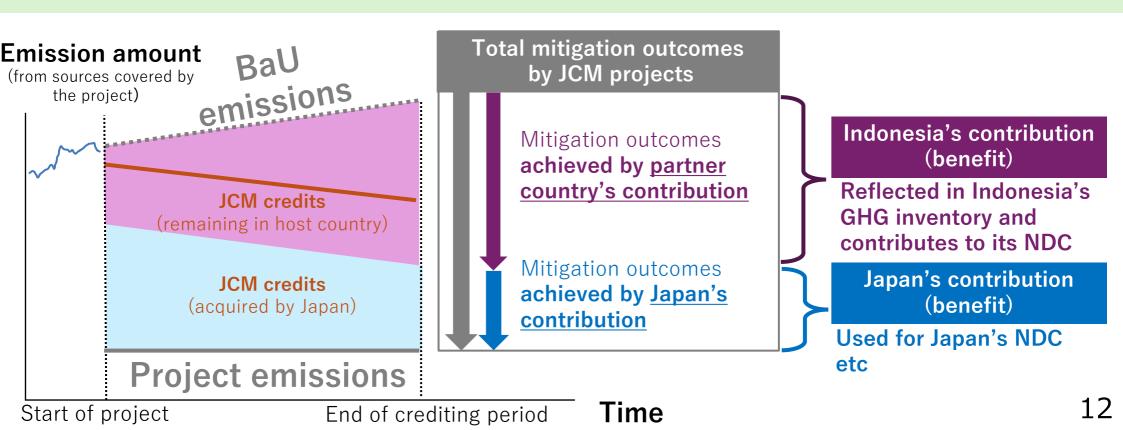
- Total mitigation outcomes by JCM projects are the difference between BaU and project emissions, consisting of
 - > 1) NOT issued as JCM credits
 - > Issued as JCM credits acquired by 2) Indonesia and 3) Japan
- Mitigation outcomes 1) NOT issued as JCM credits and 2) issued as JCM credits acquired by Indonesia will be <u>reflected in Indonesia's</u> GHG inventory and contribute to achieving its NDC



2. Allocation of mitigation outcomes



- Allocation of mitigation outcomes by each government and project participants will be decided by Joint Committee, taking into consideration their respective contributions to the JCM project.
 - <Examples of contribution>
 - Private and public financial contributions
 - In-kind contributions, such as <u>technical and operational contributions</u>.



Forest and Waste Sectors under the JCM

New Projects Development under the JCM



Legok Nangka Waste-to-Energy PPP Project in West Java

Sustainable Peatland Management Project in Central Kalimantan by Sumitomo Forestry



Current condition at Sarimukti Landfill (2024)



Sarimukti Landfill fire (August 2023)



Photos from a West Kalimantan project



Forest sector under the JCM

REDD+

Afforestation Reforestation

As a first step, to address forest-related specific issues (including technical issues for FREL/REL and risk of reversals, safeguards, and coordination between national/sub-national REDD+ and JCM-forest project), specific JCM rules and guidelines for forest sector is to be developed.