

Media Release

Joint Crediting Mechanism (JCM) Forum for City-to-City Cooperation

Bogor, 26th May 2016

Cities with its economic activities have become one of the triggers of the world's increased emission. Based on the report by UN-Habitat, cities contributes around 70% of the world's total emission. This is a contradictive situation, as cities only covered 2% of the world's total land. Hence, the implementation of low-carbon technology in the cities area is critical to reduce the rate emission increase.

The JCM Forum for City-to-City Cooperation event is opened by Dr. Edwin Manansang as the Assistant Deputy Minister for the Multilateral Economic Cooperation and Financing of the Coordinating Ministry for Economic Affair. Dr. Edwin Manansang also acted as the Chair of the JCM's Joint Committee. In his remarks, Dr. Edwin Manansang stated the importance of the cooperation between developed and developing countries in mitigating the climate change impact.

This Forum discussed the role of JCM scheme as the implementation of the bilateral cooperation agreement between Japan and Indonesia in low-carbon development. Since its inception JCM has managed to initiate the cooperation between cities in Indonesia and Japan. The cooperation between cities in Indonesia and Japan is expected to accelerate low-carbon technology transfer, to strengthen the economic cooperation and to increase the investment from the Japanese company to Indonesia in order to reducing the greenhouse gases (GHG) emission particularly in the cities area.

This First JCM Forum for City-to-City Cooperation is held in Bogor on the 26th May 2016 and it is also acted as a platform for knowledge and experience sharing between cities, to provide information on the low-carbon technology which is feasible to be implemented as well as the financing mechanism and cooperation under the JCM scheme. This workshop is held by the cooperation between Japan International Cooperation Agency (JICA) and Office of Deputy Minister for the Multilateral Economic Cooperation of the Coordinating Ministry for Economic Affair.

Currently, there are 3 cities in Indonesia and 3 cities in Japan which have collaborated under the JCM scheme. These cities are Surabaya with Kitakyushu, Bandung with Kawasaki and Batam with Yokohama. The cooperation between these cities have come into the implementation stage in the energy efficiency and waste management sector.

In this workshop, cities which have already implemented the cooperation, presented the progress, challenges as well as benefits from the city-to-city cooperation between Indonesia and Japan. JICA also presented their experience in assisting cities in Indonesia to transform into low-carbon cities.

Further, the workshop also presented the financing mechanism for the City-to-City cooperation under the JCM scheme by the JCM Indonesia Secretariat, the third party financing mechanism by PT Sarana Multi Infrastruktur (PT SMI) and Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah (LKPP), City-to-City capacity building development cooperation by International Council for Local Environmental Initiatives (ICLEI), as well as several low-carbon technology which are feasible to be implemented.

It is expected that the participating cities could get the benefit of knowledge from the experiences and cooperation from the cities within the JCM scheme and will then implement and integrate these knowledge in their future activities.

Since the signing of the bilateral agreement for low carbon development between the Indonesia government and the Japan government in 2013, JCM has managed to provide more than US\$ 41 million of subsidy to the private sector in Indonesia. Up to now, the private sector contribution in the JCM scheme has reached to more than US\$ 70 million, and this has made the total investment in the JCM scheme reached to more than US\$ 110 million.

The implementation of JCM funded projects in Indonesia are not only managed to reduce the national and global emission but is also expected to become one of the parameters for the effort to achieve sustainable development criteria in the climate change mitigation. This is because every JCM projects that will do the credit issuance is obliged to fulfil the sustainable development criteria.

The JCM scheme is one of the important and concrete efforts from the Government of Indonesia, which is not only aims to achieve its commitment stated in the Nationally Determined Contribution (NDC) submitted at the last COP 21 in Paris, but also as an effort to scale up the investment of low-carbon development in Indonesia.

Further information on the JCM activities can be access through website: jcm.ekon.go.id or contact us through email at info@jcmindonesia.com.

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About JCM:

The Joint Crediting Mechanism is a bilateral scheme between the Government of Indonesia and the Government of Japan which encourages Japanese private sector organizations to collaborate with the Indonesia private sector organizations, state-owned enterprise and local government to invest in low carbon development activities in Indonesia through incentives in the form of grant and subsidy from the Government of Japan.

Up to now, the JCM scheme in Indonesia has implemented and provided full funding for 108 feasibility studies and partial funding for 23 project implementation.