



Global Investor Webinar on Indonesia's Carbon Market: Potential Asset and Recent Sectoral Progress

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MINISTRY OF
FORESTRY
REPUBLIC OF INDONESIA

POTENTIAL ASSETS



POTENTIAL FORESTRY CARBON OFFSET IN INDONESIA

Carbon Removal

degraded land

MINIMUM
12M
hectares

Carbon Reduction

MINIMUM
48,69M
hectares

Social Forestry

8.3M
hectares

Customary Forest

1.4M
hectare
s

Potentials CO₂ 2024 - 2050

13,4 Billion

tons CO₂ eq

Indonesia's forests stand among the world's most sought-after sources of high-quality forest carbon credits

Source: BloombergNEF, Indonesia Transition Factbook (2025)

FCPF (FOREST CARBON PARTNERSHIP FACILITY) EXCESS CREDIT IN EAST KALIMANTAN PROVINCE



Total Credit

35 M
Ton CO₂

Potentials Tradeable Excess Credit

2019-2020

4 Million

tons CO₂ eq

RBP

(Result Based Payment)

22 M
Ton CO₂

Buffer

9 M
Ton CO₂

Excess Credit

4 M
Ton
CO₂

The FCPF has a **commitment of 35 million tCO₂e for 2019–2025**. However, after the conclusion of the program, 4 MtCO₂e of excess credits remain available for future use.



TREES CONCEPT

The TREES Concept requests preliminary information about a proposed Participant that demonstrates that the Participant meets the TREES eligibility criteria and provides preliminary information regarding the other requirements under TREES. Participants should complete this form using information and estimates available at the time of submission. The ART Secretariat will review for completeness and conduct a general eligibility screening based on the information provided. The information will not be validated or verified as it is anticipated that the information will likely change during development of the TREES Registration Document (TRD) as more detailed analyses and calculations are conducted.

Please complete the form and submit it to the ART Secretariat through your ART Registry account. Any accompanying documents may be uploaded to the ART Registry account as well.

1. PARTICIPANT INFORMATION

ENTITY	
COUNTRY INDONESIA	JURISDICTION (if registering as a sub-national Participant) 6 Sub-nationals (Papua, Papua Pegunungan, Papua Barat, Papua Barat Daya, Maluku Utara, Sulawesi Tengah)

REPRESENTATIVE ORGANIZATION AND CONTACT INFORMATION	
ORGANIZATION NAME Ministry of Forestry	MAILING ADDRESS Gedung Manggala Wanabakti Blok I Lt. 2, Jl. Jenderal Gatot Subroto - Jakarta 10270, Po Box 6505, Indonesia.
FIRST NAME	LAST NAME
EMAIL ADDRESS	TELEPHONE

BRIEF DESCRIPTION OF LEGAL AUTHORITY TO REPRESENT COUNTRY OR JURISDICTION
The main legal authority in this concept note is the Ministry of Forestry (MOF), restructured under the President Regulation No. 175 of Year 2024 serve as the main authority to manage

The Ministry of Forestry has submitted a concept note to ART TREES to secure access to predictable results-based financing for REDD+ - a step towards reducing the fiscal pressure imposed by REDD+ activities on public expenditure.

- Five provinces, North Maluku, West Papua, Southwest Papua, Highland Papua, and Papua, fall under the ART HFLD pathway.
- One province, Central Sulawesi, uses the TREES pathway.
- Collectively, the six provinces account for 28% of Indonesia’s national forest area, covering more than 26 million hectares.
- The concept note uses 2016–2020 as the reference period and 2021–2025 as the crediting period.



MINISTRY OF
FORESTRY
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RECENT PROGRESS

DEMARCATIION OF ROLES UNDER THE MINISTRY OF FORESTRY THROUGH REGULATORY REFORMS



MoFor Regulation No. 6/2026

Overarching regulation that governs carbon offsetting in forestry sector

Revision of MoEF Regulation No. 8/2021*

Currently covers the utilisation of forest in concession areas, spanning production and protected forest. The revision will entail licensing processes and requirements for carbon offset in these areas, among other things

Regulatory Reforms to Support Presidential Regulation No. 110/2025

MoFor Regulation No. 7/2026

The Utilization of Environmental Services in conservation areas for carbon offset. A refinement of MoFor Regulation 27/2025; includes clear designation of eligible areas, business licensing processes for carbon offset, and licensee responsibilities

Revision of MoEF Regulation No. 9/2021*

The revision will provide clear delineations on carbon offsetting licensing in Protection and Production Forests under social forestry. Also includes benefit sharing mechanism and safeguards provisions

***Note: revision is currently underway**



A GLIMPSE INTO THE NEW MINISTERIAL REGULATION 6/2026: FUNDAMENTAL CHANGES TO UNLOCK OFFSET OPPORTUNITIES

This regulation strengthens the carbon pricing ecosystem by providing 3 fundamental changes

Expanding Eligible Carbon Offset Entities and Locations

- IPLC and private landowners, with mandatory assistance from registered development partners, now have a clear provision to administer carbon offsetting
- Minister and Governors, through the appointment of agencies, are acknowledged as eligible offsetting entities
- Eligible locations for carbon project are well defined.



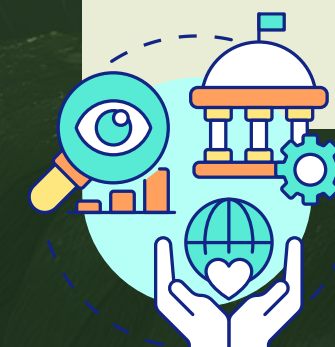
Simplified and Structured Business Processes

- A clear and simplified issuance pathway for SPE-GRK and Non SPE-GRK.
- A comprehensive and rapid administrative screening process - *lex silencio positivo*
- Clear provisions on Corresponding Adjustment (CA)
- Inclusive VVB provisions.



Appropriate Governance Framework

- Carbon Pricing Roadmap in Forestry Sector
- Nesting Scheme
- Grievance Mechanism
- Methodology Panel
- Safeguards

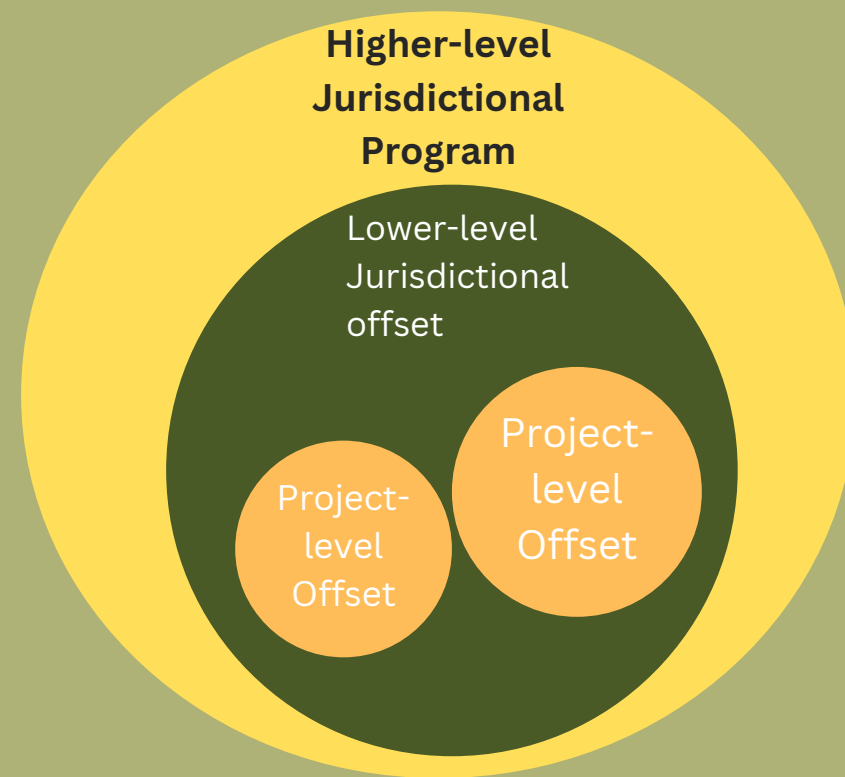


Nesting: Current Progress



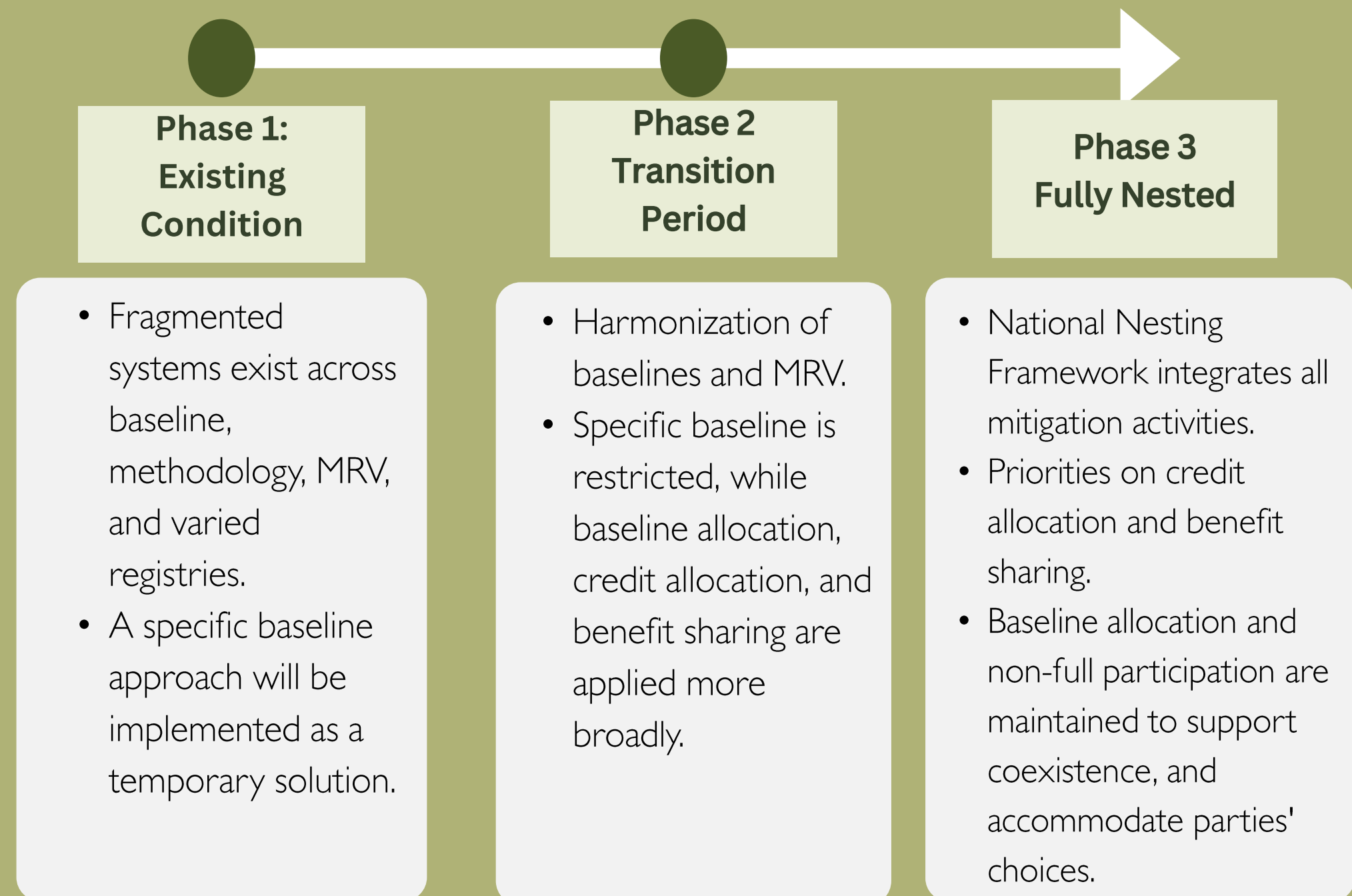
In administering carbon trading through offsets, the Minister regulates nesting procedures (Article 31).

Nesting



Nesting is the alignment of planning and implementation of GHG emission reduction activities across different levels (Article 1). Nesting is implemented to prevent double counting and double claiming of carbon units generated by Climate Change Mitigation Actions (Article 31).

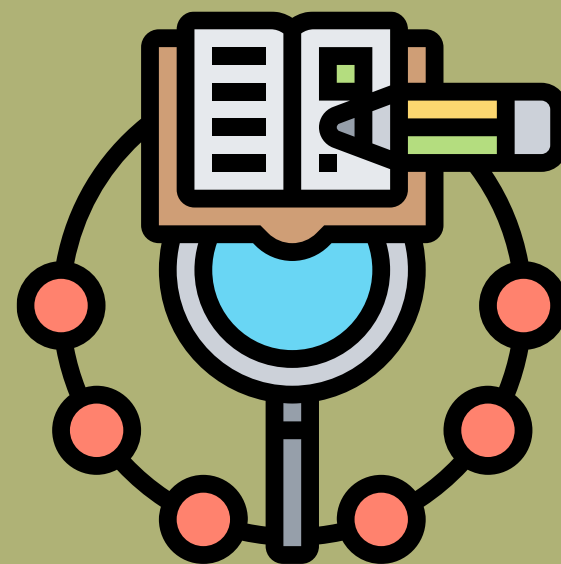
Three Phase of Nesting Development



Methodology Panel: Current Progress

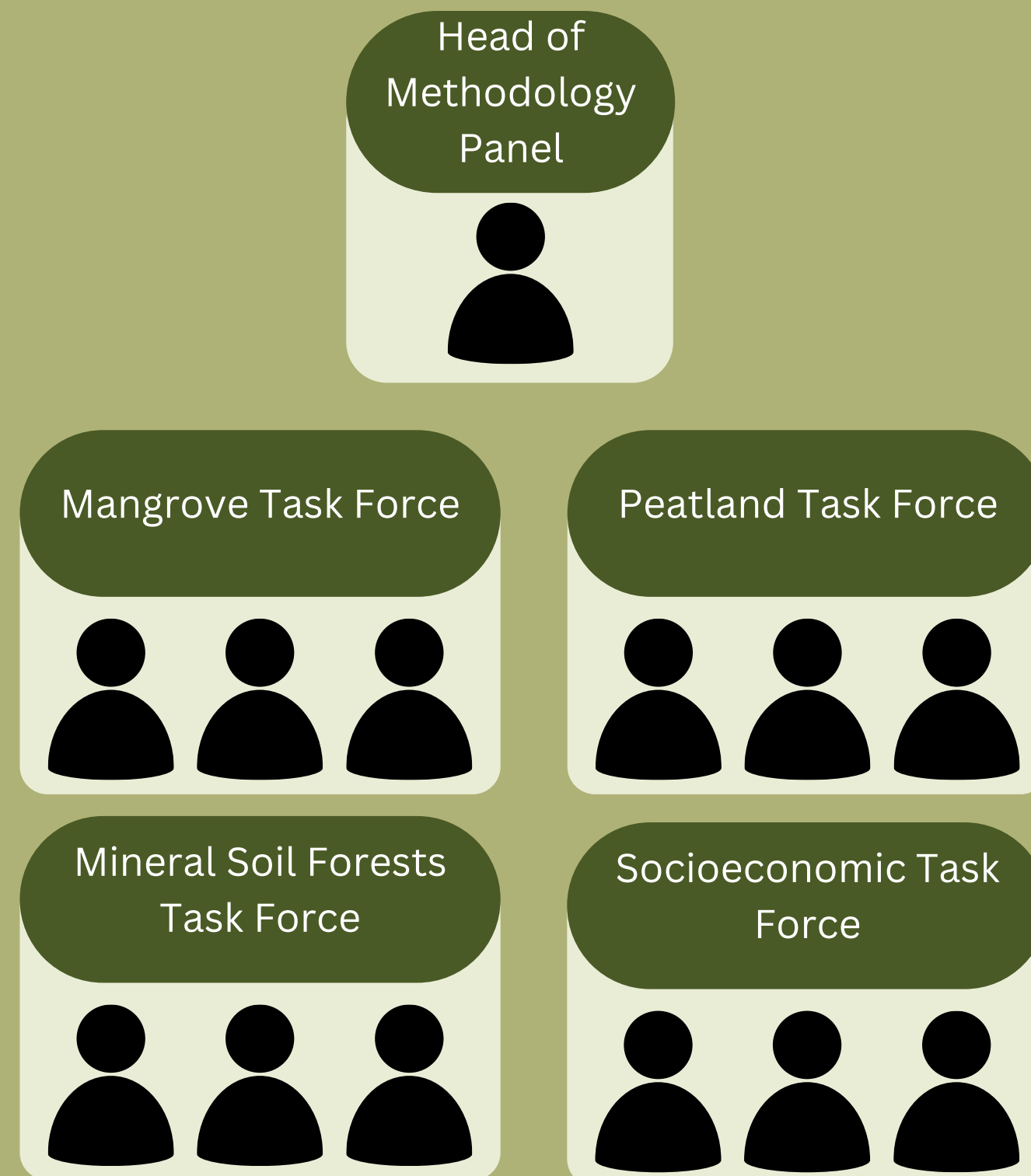


In administering carbon market through offsets, the Minister may establish a **Methodology Panel** (Article 58).



Methodology Panel

A Methodology panel may be established as a new development platform to accommodate specific needs occur from cooperation agreements (Article 58).



The ministry has begun the process of formulating a methodological panel.

The Methodology Panel focuses on the technical development, review, and refinement of carbon methodologies to support the achievement of Indonesia's Nationally Determined Contribution (NDC) and the implementation of high-integrity domestic and international carbon markets.

IFCH and Ministerial Approval to 4 Domestic Projects



On 6 July 2026, the Minister formally granted approval for four domestic forestry carbon projects to issue carbon credits and officially launched the Indonesia Forestry Carbon Hub (IFCH).



On 6 July 2026, the Minister approved four legacy forestry carbon projects under Ministerial Regulation No. 6/2026: Sumatra Merang Peatland Project, Katingan Peatland Restoration and Conservation Project, The Mayas Project, and the community-based Bujang Raba project. Together, these verified projects cover approximately 225,000 ha, are expected to generate around 30 MtCO₂e of carbon credits, and unlock around Rp5 trillion in transaction value, and contribute an estimated Rp500 billion in non-tax state revenue (PNBP).



Indonesia Forestry Carbon Hub (IFCH) was established by the Ministry of Forestry as a national collaboration platform to strengthen Indonesia's forestry carbon ecosystem. IFCH aims to foster a credible, high-integrity carbon market that mobilizes finance for sustainable forest management while supporting Indonesia's climate targets.

Collaboration with International Partners



MoU Signing with **IETA**
Jakarta, October 10th, 2025



MoU Signing with **ICVCM**
Sao Paulo, November 8th, 2025



Membership in the **Coalition to
Grow Carbon Markets (CGCM)**
London, January 20th, 2026



Implementation Agreement
Signing with **UNEP**
London, May 20th, 2026



MoU Signing with **Emergent**
London, June 25th, 2026

Collaboration with International Partners

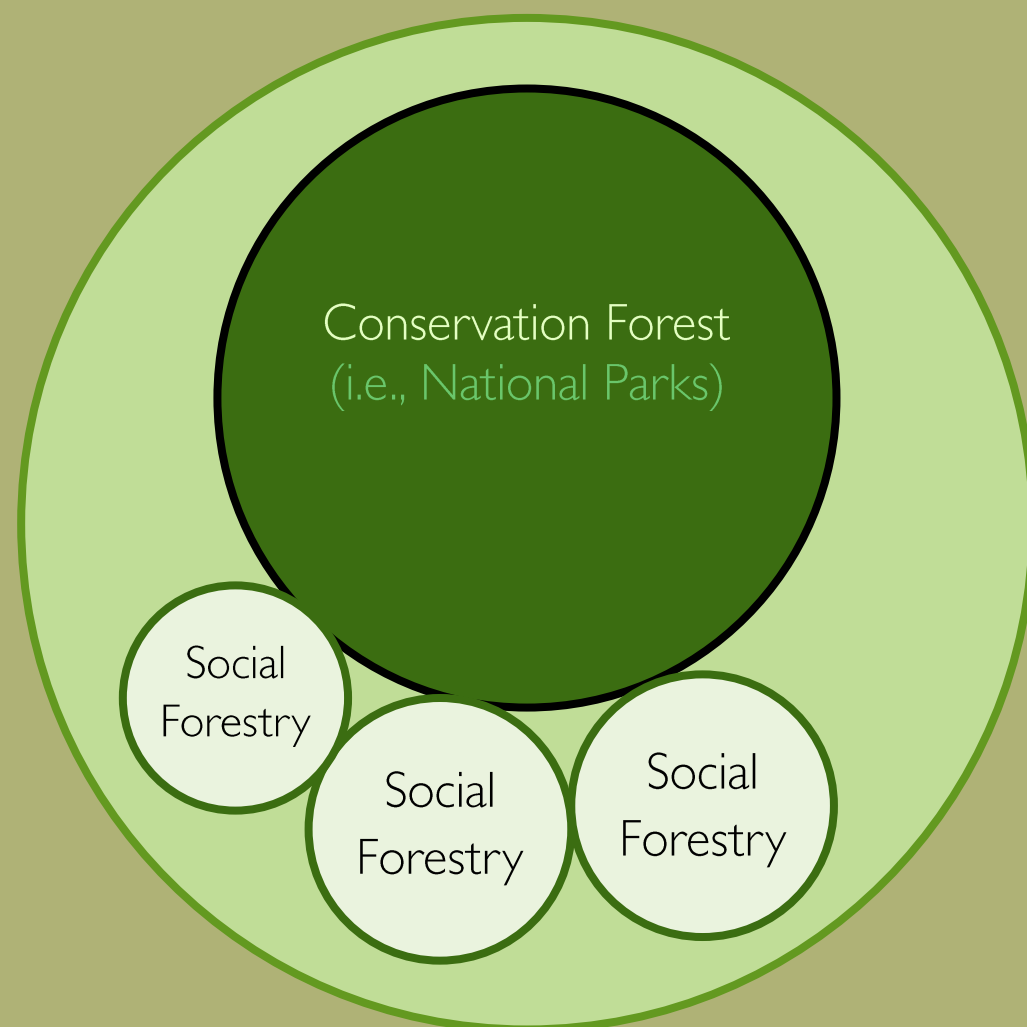
In the past two years alone, Indonesia has collaborated with several crucial international partners to mobilise greater financing, improve implementation capacity, and strengthen institutional readiness.

Satu Karsa



In an effort to amplify sector-wide decarbonisation effort, elevate sectoral economic growth, and promote the supply of NbS credits, the government will launch a program called Satu Karsa in the upcoming future.

It is a collaborative platform connecting governments, communities, the private sector, and investors to accelerate and unlock 1 million hectares of ecosystem restoration and generate locally-tailored sustainable forest commodities through agroforestry.



Min. 10,000 ha with 40-yr tenure



Aggregating Fragmented Landscape

Small-scale, often fragmented social forestry areas adjacent to a conservation area are consolidated into a single viable project unit. This ensures that smallholders in social forestry areas also reap the benefits of carbon projects.



VM 0047 + ABACUS

Satu Karsa follows VM0047 with the coupling of the ABACUS guideline, ensuring permanence and preventing leakage.



Grouped Project Structure

A unit may be formed of a grouped project involving a plethora of stakeholders across landscapes.



Thank You

THE MINISTRY OF FORESTRY CALLS UPON ALL STAKEHOLDERS
TO JOIN HANDS AND INVEST IN OUR SHARED MISSION TO BUILD
A GREEN ECONOMY, CONSERVE NATURE FOR FUTURE
GENERATIONS, AND EMPOWER COMMUNITIES.

TOGETHER, WE CAN TRANSFORM OUR FOREST INTO LASTING
PROSPERITY AND SUSTAINABILITY FOR ALL.





ANNEX



Subject and Location



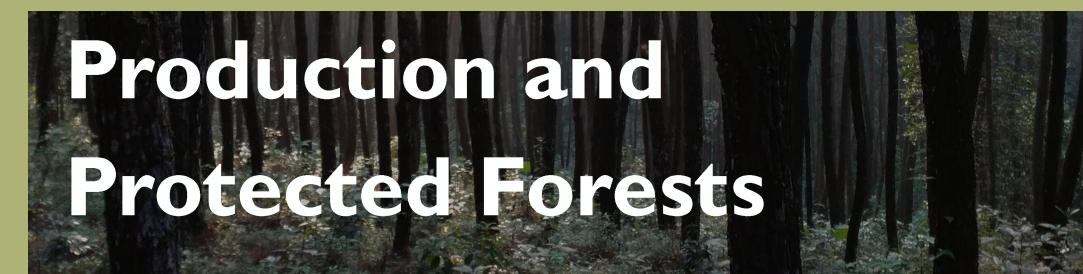
Who can administer a carbon offset project?

Category (Article 5)	Subject
Business Actors (Firms)	PBPH Holders, PB-PJL Holders (Article 6)
Business Actors (Local Community)	PPPS holders, private forest land owners, customary law community (Article 6)
Government	Minister and Governor via Jurisdictional Program (Article 6) Minister and Governor can appoint (Article 32): • BLU dan BLU-D (public service agency) • An environmental fund agency • A designated SPV

Where can carbon offset be implemented? (Article 9)



Customary and Private Forest

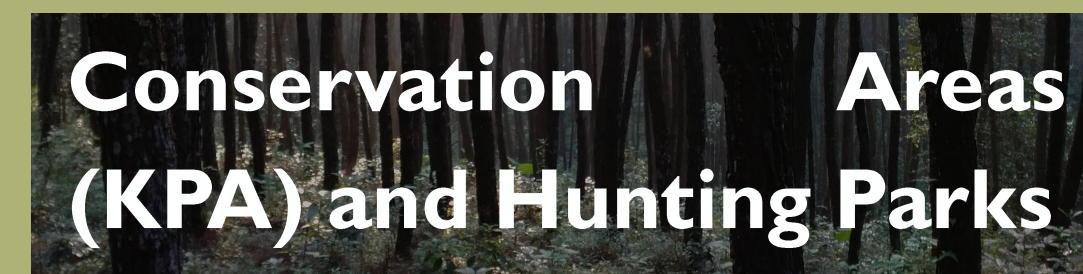


Production and Protected Forests



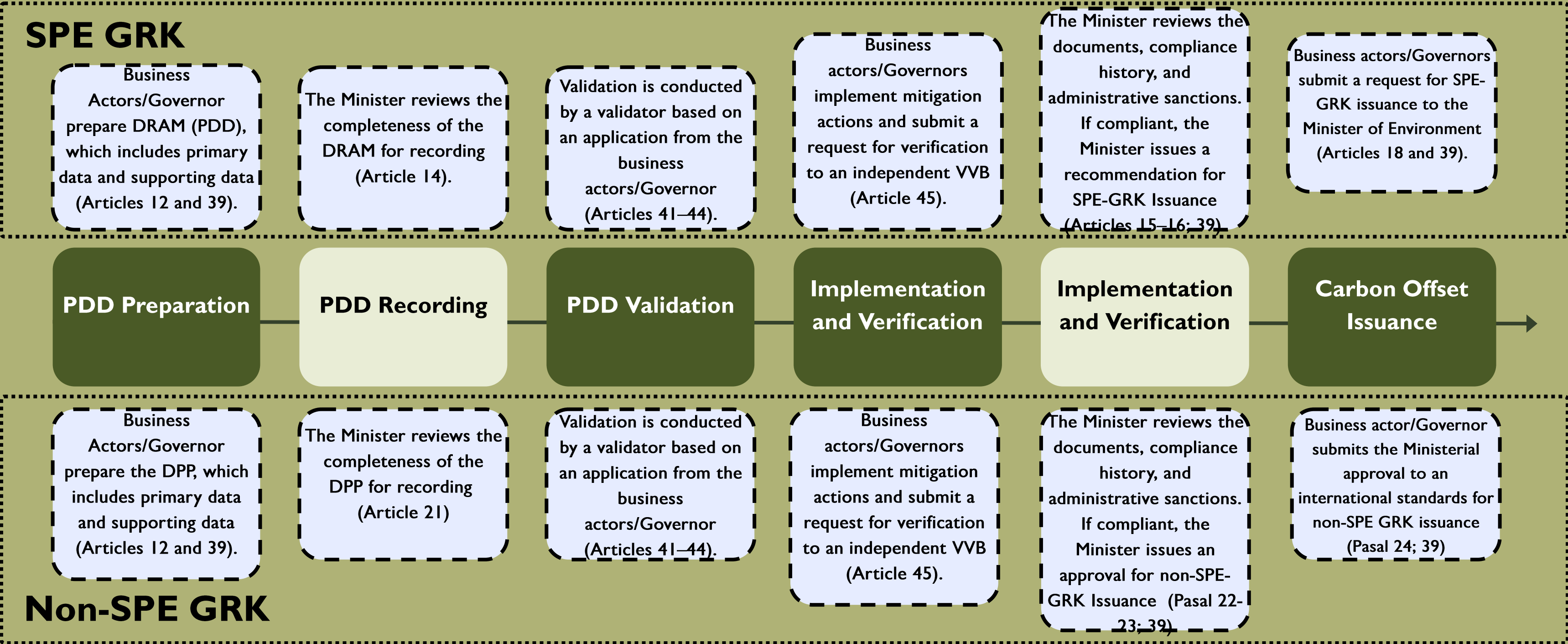
State Forests

That fall outside of forest areas



Conservation Areas (KPA) and Hunting Parks

Simplified Business Process: Carbon Offset Issuance for Business Actors and Governor



Safeguarding and Risk Management



In administering carbon trading through offsets, parties responsible for climate change mitigation actions are required to implement social, environmental, and governance safeguards and manage risks to prevent negative impacts from offset implementation (Art. 28–29)

The protection principles referred to include (Article 28):

Compliance with laws and national forestry programs

Transparency and effectiveness of forest governance

Rights of Indigenous Peoples and local communities

Effective stakeholder participation

Conservation of natural forests and biodiversity

Actions to address reversal risks

Actions to reduce emissions displacement

To manage risks, parties responsible for climate change mitigation actions are required to have a risk management system (Article 29).

The implementation of safeguards and risk management must be reported to the Minister (Articles 28–29).