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Carbon Market Value in the Climate Change Era

Concern about climate risks has grown globally in recent years. The Paris Agreement, a legally binding treaty on climate change that took effect on 4 November 2016, has been a major catalyst in addressing this concern. To reduce climate impact, it is necessary to minimize greenhouse gas emissions as much as possible and explore innovations that will capture existing carbon from activities that inevitably produce these gases.

Decarbonisation can be pursued without significantly disrupting current operations. To further reduce emissions, alternative methods need to be considered. This is where the importance of carbon credits and markets comes into play. Both mandatory and voluntary markets serve as tools to facilitate low-carbon transition at a pace and scale that most countries can adopt.

PwC Indonesia believes that creating a carbon credit system and market is a key solution for many countries, including Indonesia, where relying on high carbon-emitting operations is necessary. The introduction of the Indonesian carbon market and the growing interest in carbon credits can guide Indonesia towards achieving net-zero emissions.

However, both local and international carbon markets face several challenges, especially for organizations in Indonesia where the idea of carbon credits is still new to many businesses. PwC Indonesia is ready to help you meet your needs in relation to carbon credits and markets.

Our services will help you gain a better understanding of carbon credits and the expanding market from the perspectives of buyers, sellers, and investors. Generally, we focus on three main areas in this field:

Section 1: Technical aspects

1. Measurement of emission baseline

Assessment of your current emissions based on existing carbon projects to determine your current carbon stock.

2. Measurement of emission reduction efforts

Measurement of the reduction in emissions from planned activities that will be part of current carbon projects, helping you determine your potential carbon stock before entering the carbon market.

3. Carbon offset or reduction strategy

Development of a roadmap and strategy aligned with your business plan to achieve the necessary carbon offset or reduction activities for your business.

Section 2: Eligibility and administration aspects

1. Legal feasibility assessment

Assistance to identify the opportunities and limitations of carbon projects in accordance with the legal framework of the selected market scheme.

2. Technical feasibility assessment

Analysis of the eligibility of carbon projects for the selected market or scheme, including comprehensive carbon sequestration modeling.

3. Carbon market registration support

Assistance throughout the entire process of verification and registration of carbon credits, including both international and domestic registration, such as the VCS and SRN PPI processes.

4. Monitoring report and transaction support

Assistance in preparing monitoring and reporting activities and respond to queries from verifiers.

Section 3: Financial aspects

1. Analysis on financial potential of carbon projects

Analysis of the financial potential of carbon projects in both domestic and international markets, including cash flow modeling to assess capital and operational expenses, revenue, and carbon price projections.

2. Investment assistance on carbon projects

Assistance in identifying tasks and decisions, such as making acquisitions, development, and restructuring of the business to incorporate carbon projects into your portfolio.

3. Carbon credit accounting and tax

Accounting and tax advice on carbon credit transactions.



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