

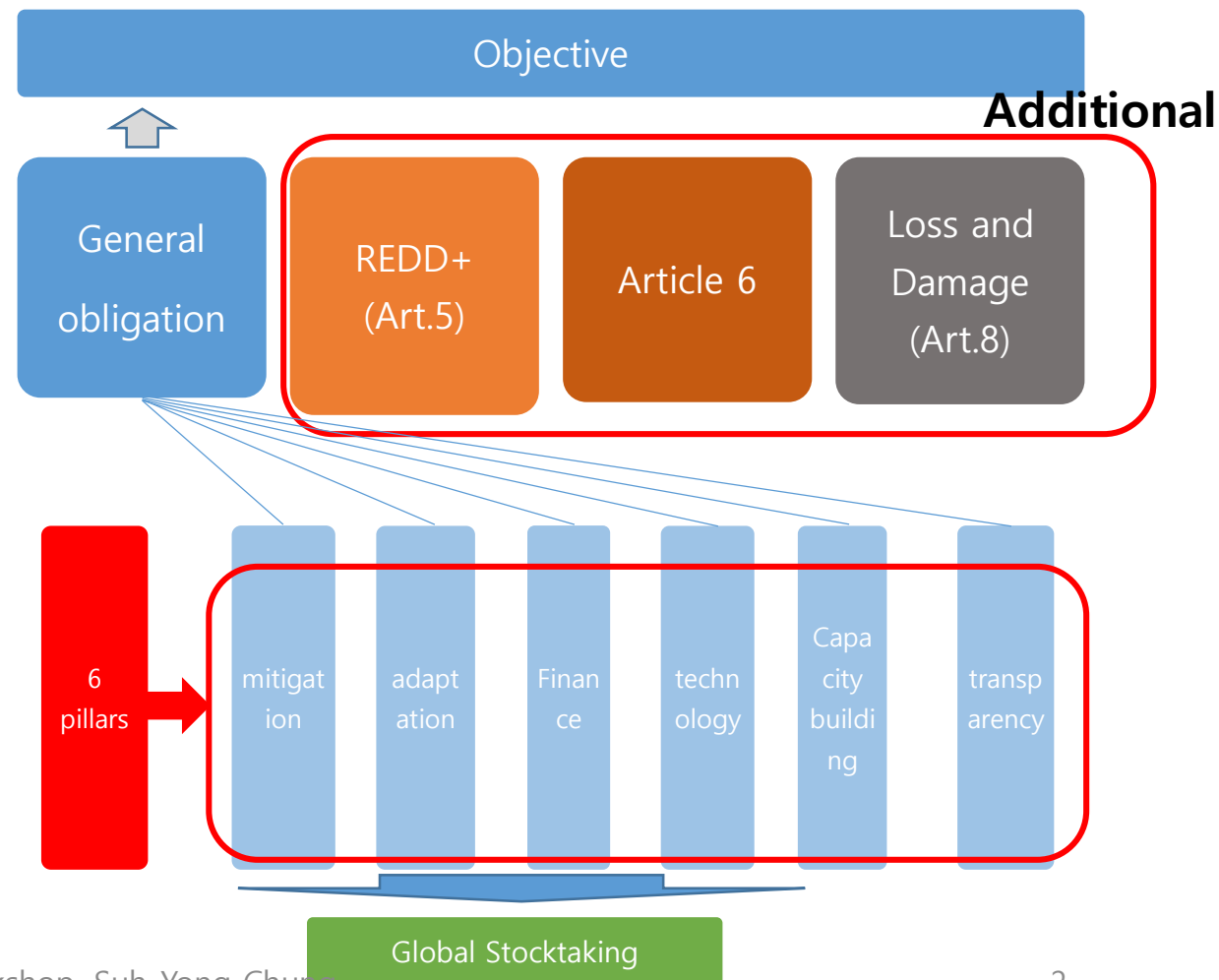
Status and Prospects
for the Paris Agreement's Article 6:
Implications for cooperation in East Asia

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Structure of Paris Agreement

- Objective (Article 2)
- General obligations (Article 3)
 - 6 pillars: mitigation (Art.4) adaptation (Article7), Finance (Article 9), Technology (Art. 10), Capacity building (Art. 11), Transparency (Art. 13)
- Global Stocktaking (Art.14)
- Additional
 - REDD+ (Art.5)
 - Article 6
 - Loss and Damage (Art.8)



Article 6

Art.6.1

- Voluntary cooperation in **implementation of NDCs**, higher ambition, sustainable development, environmental integrity

Art.6.2-3 (Cooperative Approaches) - guidance

- Internationally **Transferred (not transferring)** Mitigation Outcomes: ITMOs
- sustainable development, environmental integrity, transparency
- Avoiding double counting

Article 6

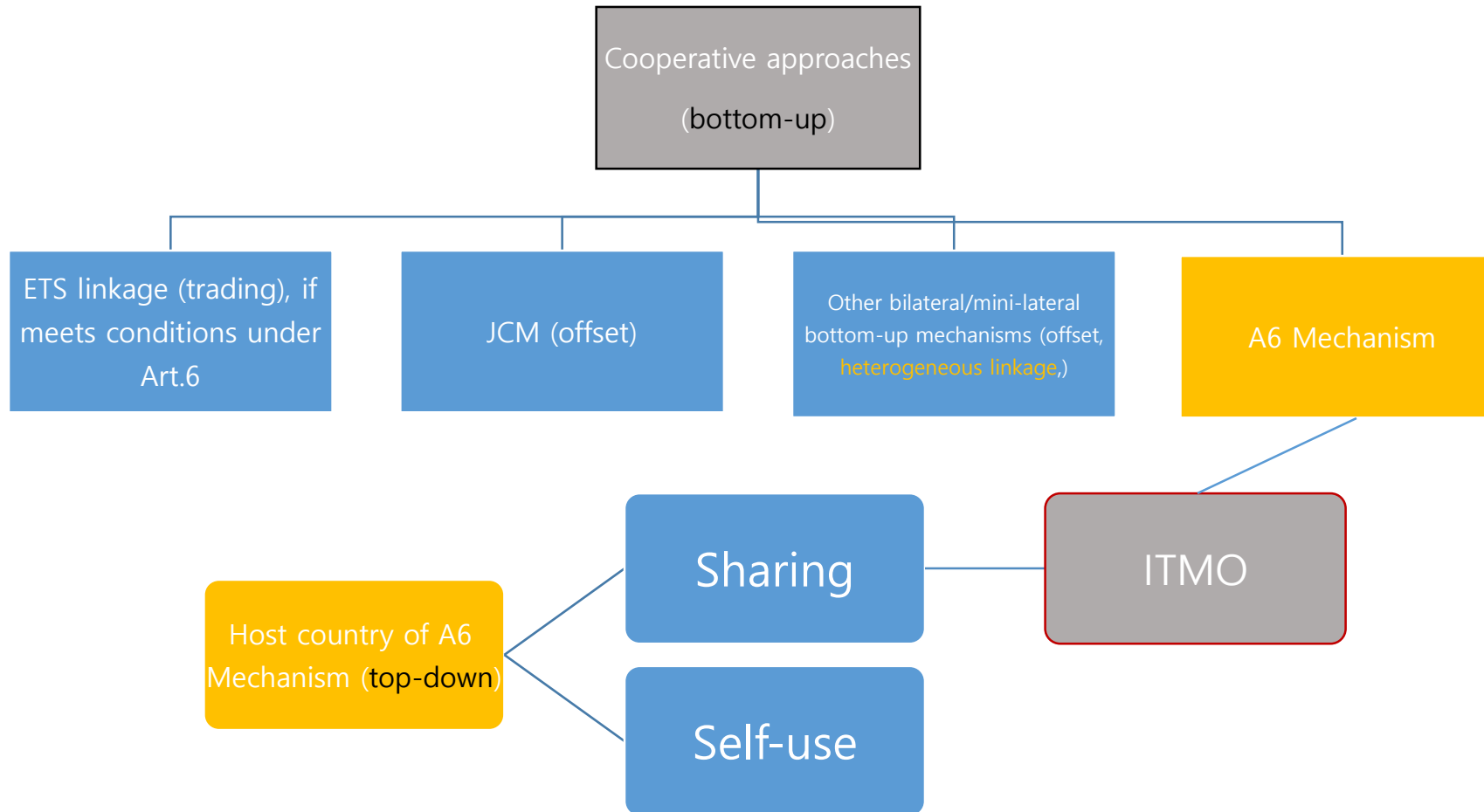
Art. 6.4-7 (the Mechanism) – rules, modalities and procedures

- A mechanism to contribute to the mitigation of greenhouse gas emission and support SD
- IETA (MM) vs. the Mechanism (NZ, EU, Japan) vs. SDM (Brazil)
- Needs to be use to implement NDCs
- Promoting private sector participation
- Contributing to GHG reduction in host country
- Contributing to achieve overall mitigation
- Revenues to be used for developing countries' adaptation activities

Art. 6.8-9 (non-market approaches)- work program

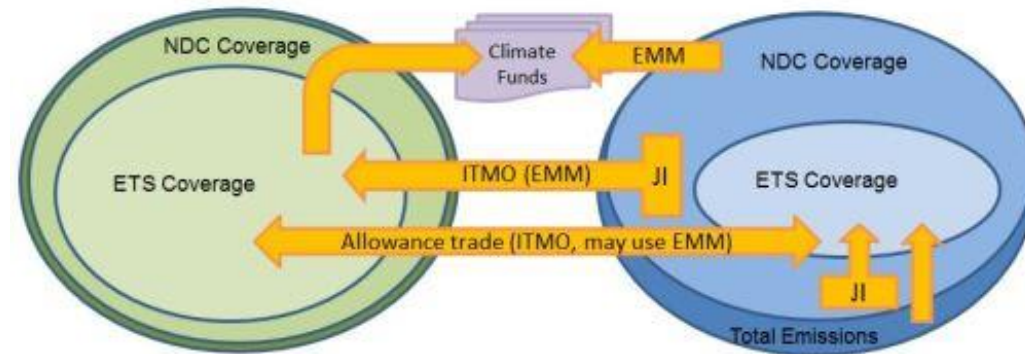
- Contributing to achieving SD and poverty reduction
- Promoted by few developing countries

Article 6



Post 2020 Article 6 Evolution

- ← Crediting (offset model)
- ←→ Crediting with correction (Joint Implementation model)
- ↔ Allowance trade (linked ETS model)



NDCs evolve quickly to cover most, if not all, of the GHG emissions from a national economy.

Status of Carbon Market in Northeast Asia

Korea

- Domestic
 - Launched its ETS in 2015
 - Covering 68 percent of total emissions
- Korean NDC about 11.3% reduction by using IMM

Japan

- Domestic
 - Advanced Technologies Promotion Subsidy Scheme with Emission Reduction Targets (ASSET) and J-Credit System
 - City level ETS
- International
 - JCM

China

- National ETS in 2017
- Will spend some more time before linking its ETS with other ETS(s)

Issues for Carbon Market in Northeast Asia

Building political momentum

Creating shared interests (e.g. supergrid, forestry)

Securing broad participations (e.g. Mongolia, North Korea, Russia)

Ensuring compatibility with PA (voluntary cooperative approaches measures, Art 6.4 Mechanism)



Thank you!

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