Operationalizing Article 6 of the Paris Agreement for a More Ambitious GHG Emission Reduction Target

Article 6, a key element of the Paris Agreement, lays the foundation for international carbon markets and allows countries to cooperate voluntarily in meeting their targets under the Paris Agreement and raising ambition over time. Article 6 of the Paris Agreement is well recognized to help countries reduce the total cost of implementing their NDCs as well as provide a positive price signal to the international carbon market which, in turn, will help mobilize sufficient investments necessary for Paris Alignment.

The Government of Indonesia is developing a national-level regulation that sets out a carbon pricing framework. The framework will lay the foundation for how Indonesia will utilize international carbon markets and cover the institutional, operational, and financial aspects of carbon pricing more broadly. In line with this ambition, the Government of Indonesia is building readiness to operationalize Article 6 as an integral part of its national climate policy framework to achieve its NDC targets.

The objective of this session is to deliberate on the role of international carbon markets, as part of the carbon pricing policy architecture, in realizing Indonesia’s national climate commitments and ambition.