



Article 6

Support Facility



ADB Supporting DMCs through the Carbon Market Program 1.0

Technical Support Facility (2006 onwards)

Commenced in 2006

Implemented through a series of 5 Technical Assistance projects

TA 6363: Preparing Clean Energy Projects Eligible for the Clean Development Mechanism

TA 6438: Implementation of the Technical Support Facility under the Carbon Market Initiative

TA 8223: Supporting the Use of Carbon Financing to Promote Green Growth in Asia and the Pacific

TA 8654: Supporting the Use of Carbon Financing from New Carbon Market Mechanisms to Promote Green Growth in Asia and the Pacific

TA 9062: Supporting Low-Carbon Development in Asia and the Pacific through Carbon Markets

Asia Pacific Carbon Fund (2000-2014)

\$151.8 million Trust Fund to purchase pre-2013 CERs

Commenced in 2007

Fund Participants include Seven European Governments

Supported **71 CDM projects in 9 DMCs**

Contracted **15.63 million CERs**

Provided carbon finance to **1.9 GW renewable energy projects**

All contracted CERs received and distributed to Fund Participants
Fund closed in 2014

Future Carbon Fund (2008-2021)

\$115 million Trust Fund to purchase post-2012 CERs

Commenced in 2009

Fund Participants include Four Governments and two private sector entities from Europe and Asia

Contracted **10.45 million CERs** with an investment of **\$59.5 million**

Supporting **36 CDM projects in 12 DMCs**

Disbursed **\$45.9 million** as of 30 June 2019

Providing carbon finance support to **1.2 GW renewable energy projects**

Fund will close in 2021

Japan Fund for the Joint Crediting Mechanism (2014 onwards)

\$60.7 million by MOEJ

Commenced in June 2014

JFJCM provides financial incentives for adoption of advanced low-carbon technologies in ADB-financed projects

Grant to sovereign projects (max. \$10 million)

Interest subsidy to non-sovereign projects (max. \$10m)

\$28 million committed to four approved projects in **Maldives, Cambodia, Bangladesh and Mongolia**

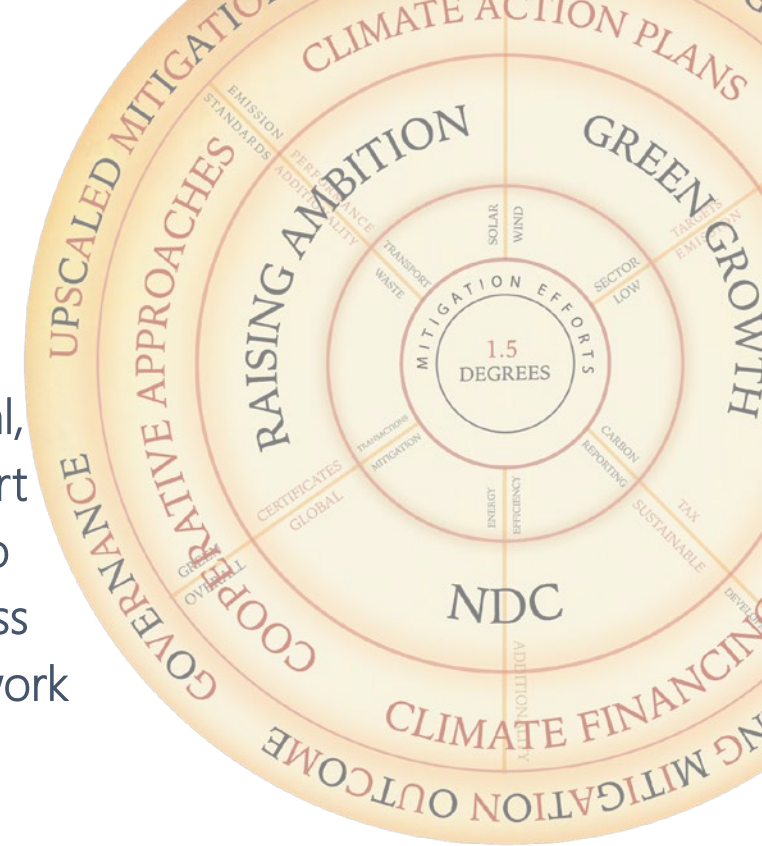


Article 6 Support Facility Introduction

- ❖ Continuation of ADB's engagement with carbon markets
- ❖ Component of ADB's carbon market program 2.0
- ❖ Began operation on 1 January 2019
- ❖ Initial Tenure - 2019 to 2021
- ❖ Initial Budget - US\$4 million
- ❖ Funded by ADB, Govt of Germany and Govt of Sweden
- ❖ Open to all DMCs in the Asia Pacific region

Article 6 Support Facility Objective

- ❖ The Article 6 Support Facility will provide technical, capacity building, and policy development support to ADB's developing member countries (DMCs) to enhance their capacity and preparedness to access new carbon markets envisaged under the framework of Article 6 of the Paris Agreement.
- ❖ The Facility will support DMCs to identify, develop and pilot mitigation actions for achieving a critical mass of expertise and lessons learned thereby enhancing their ability to contribute to international negotiations and preparedness to operationalize Article 6 of the Paris Agreement.



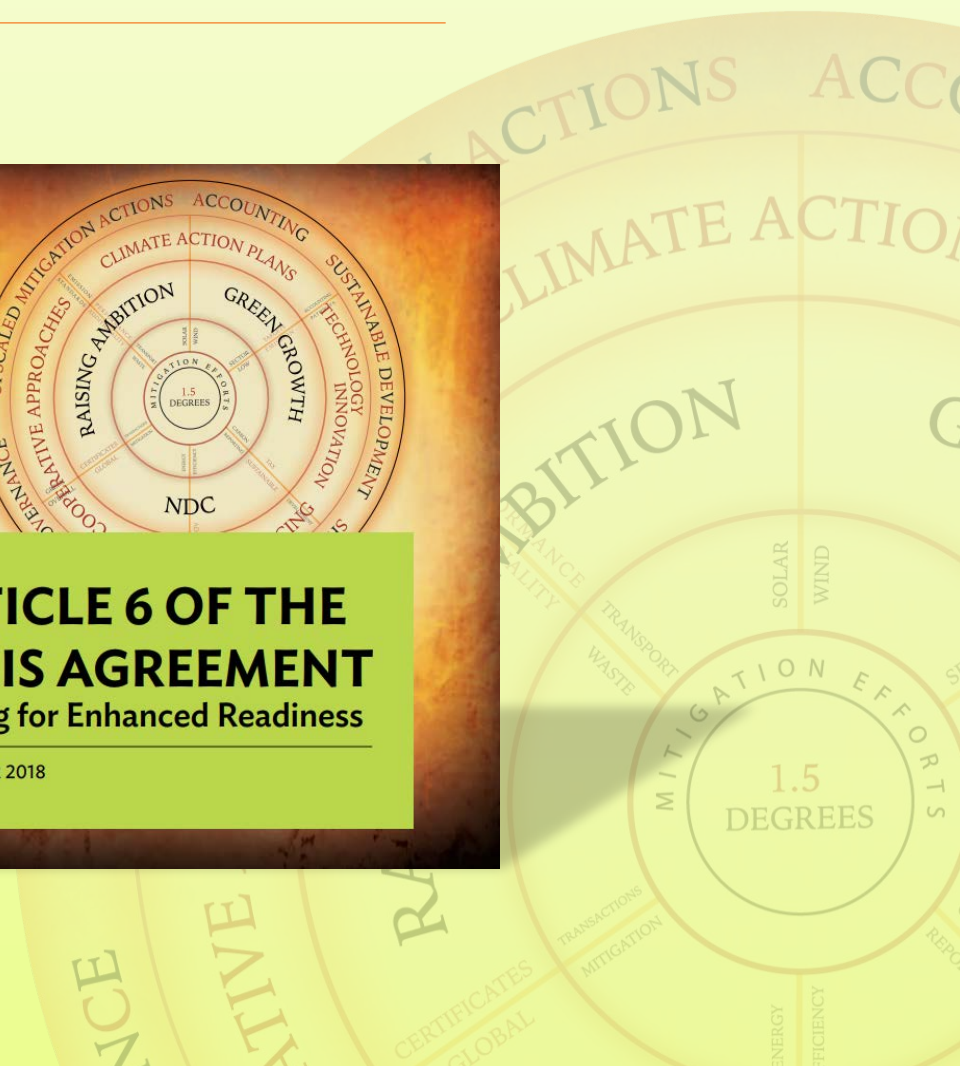
Article 6 Support Facility Outputs

1. Support DMCs to identify and assess mitigation actions under Article 6 of the Paris Agreement.
2. Support DMCs to enhance capacity, systems and infrastructure to undertake robust accounting and reporting mitigation outcomes.
3. Support DMCs to Pilot mitigation actions under Article 6 and draw lessons for enhanced preparedness for post 2020 carbon markets.



Article 6 of the Paris Agreement

Thought leadership



Article 6

Guidebook for Pilot Activities

❖ Objective

- ✓ Provide guidance for planning and implementation of Article 6 pilots
- ✓ Facilitate the creation of roadmaps for pilot activities
- ✓ Encourage testing of concepts and approaches
- ✓ Facilitate a structure for lessons learned

❖ Timeline

- ✓ First draft prepared in Q4 2018
- ✓ Consultation with stakeholders at COP24 in December 2018
- ✓ Circulated for global stakeholder consultations in January 2019
- ✓ Consultation with MDBs in Q1 - Q2 2019
- ✓ Consultations at I4C Singapore in June 2019 and Asia Pacific Climate Week Bangkok in September 2019
- ✓ **Guidebook for Pilot Activities to be launched at COP25 in Chile**





Thank You

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