



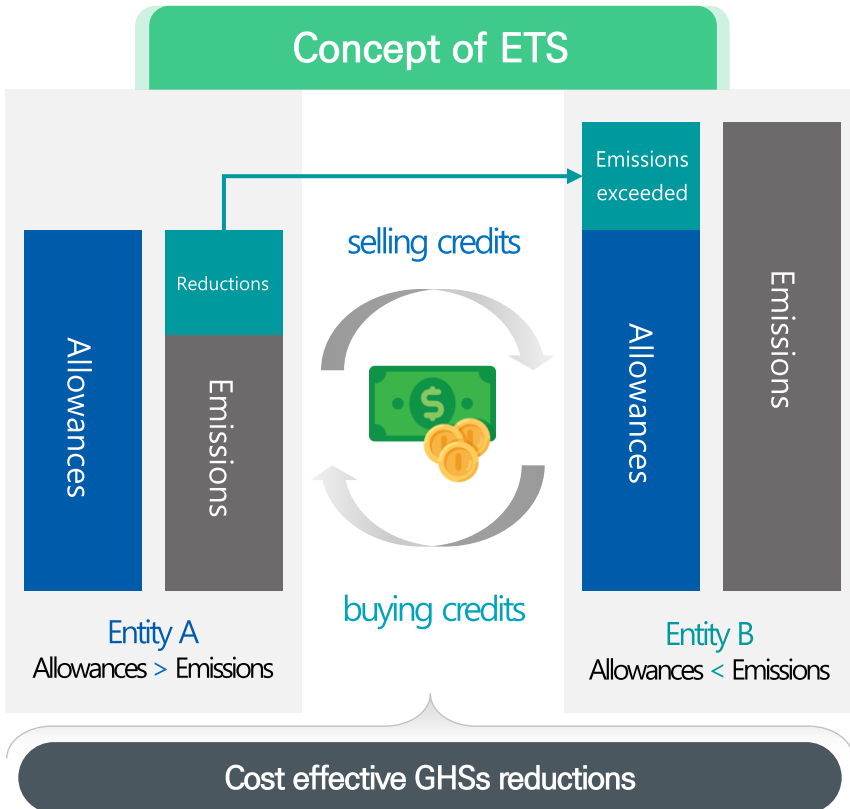
Ministry of Climate, Energy
and Environment

ETS offset program of Korea

Climate Economy Division
Jeongwhun Kang

ETS

❖ **Cost effective & practical instrument** to reach 2030 NDC target by utilizing a **market mechanism** and internalize the externality of GHGs emissions




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Designation of ETS Business Entities

- Entities with the average total amount of over **125,000tons** of CO₂ emissions during preceding 3 years



BE facilities less than 25,000tons (sum: over125,000tons)

- Entities having at least a facility with over **25,000tons** of CO₂ emissions during preceding 3 years



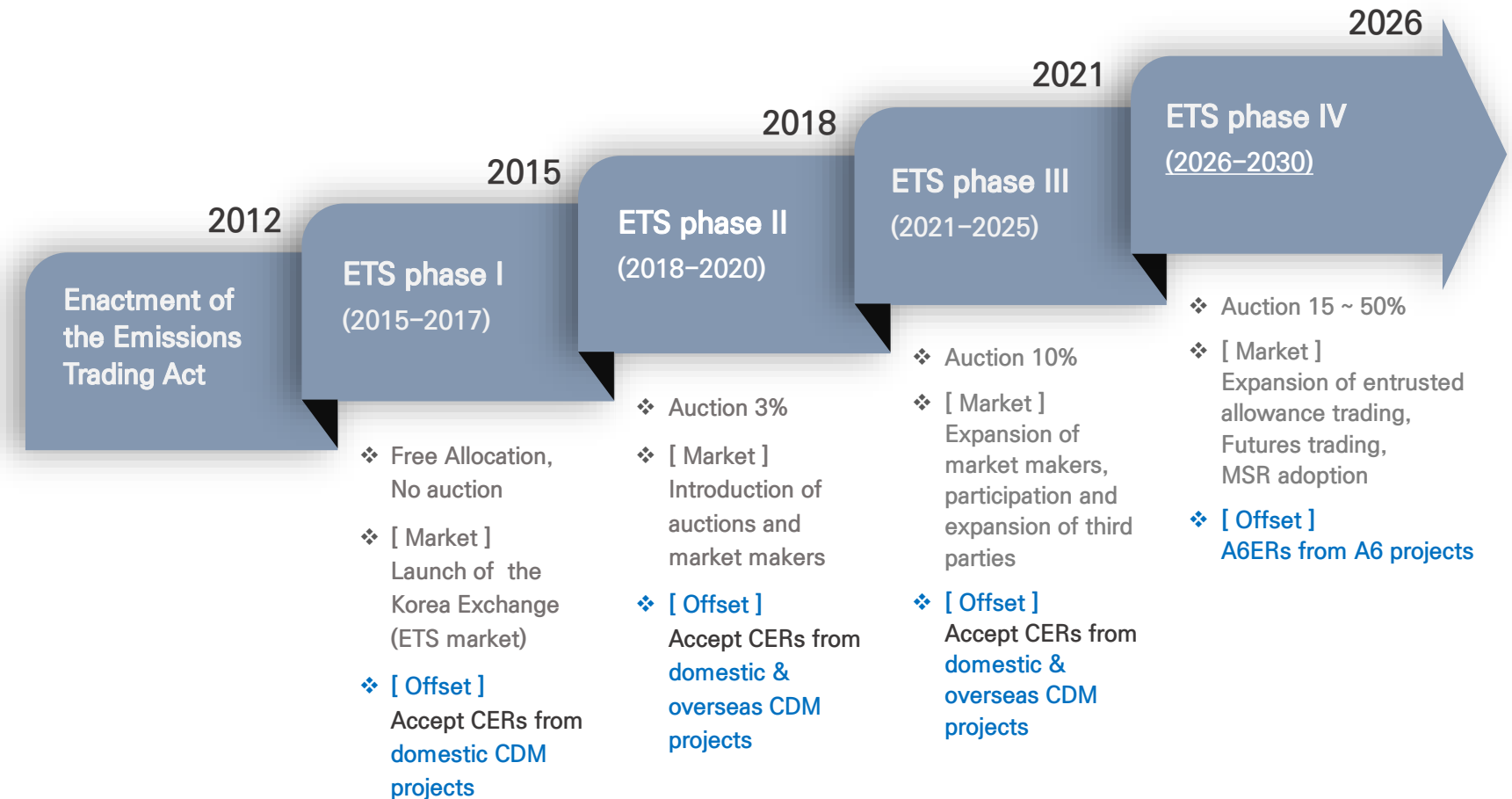
BE a facility over 25,000tons

- the number of BEs for the phase 4 : **772**

Business Entities under the ETS



ETS

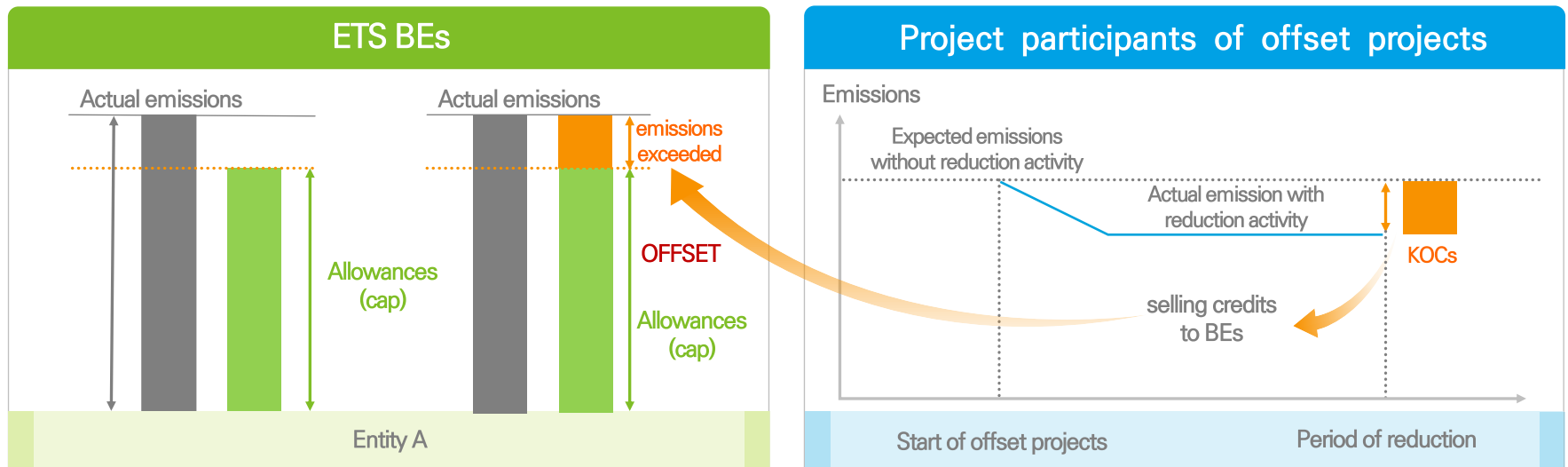


Offset program

❖ **Flexibility mechanism** that allows the BEs to buy KOCs(Korea Offset credits) issued from offset projects and convert them into KCUs(Korea Credit Units) to surrender for their compliance

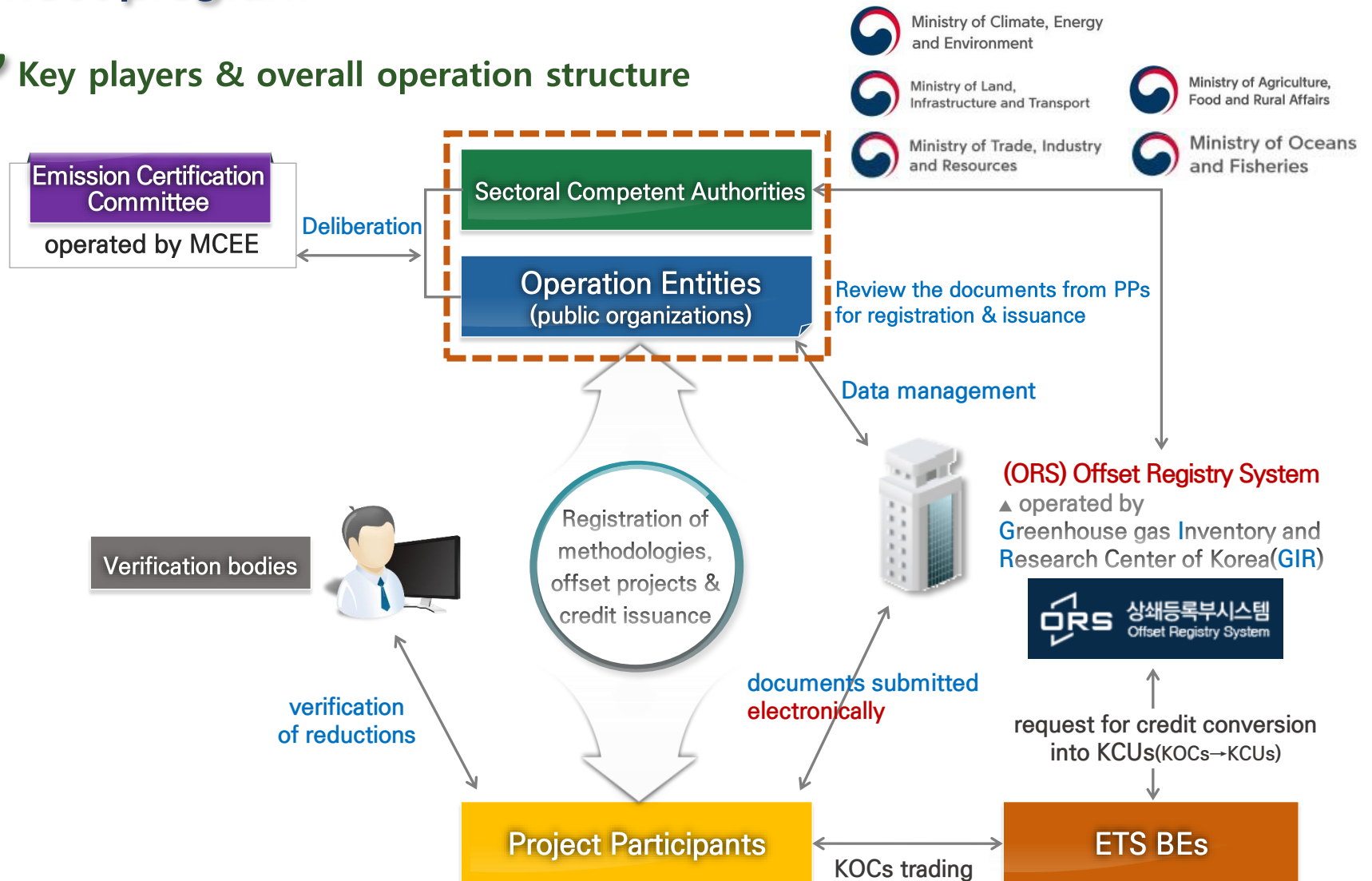
- ✔ (purpose) providing **flexibility** for compliance of the BEs
- ✔ (usage) **max. 5%** of the allowances surrendered to the government for compliance
- ✔ (offset projects) projects that reduce, absorb or remove GHGs **outside BEs** in a manner consistent with international standards

External Projects



Offset program

Key players & overall operation structure



Offset program

Legal basis



Framework act on carbon neutrality and growth for coping with climate crisis

- ✓ [Article 25] Greenhouse gas [Emissions Trading Scheme](#)



Act on the allocation and trading of greenhouse gas emission permits

- ✓ [Article 29] [Offset](#)
- ✓ [Article 30] Certification of greenhouse gas reductions from offset projects



Enforcement decree of the act on the allocation and trading of greenhouse gas emission permits

- ✓ [Article 47] [Offset](#)
- ✓ [Article 48] Validation, approval and revocation of approval of offset projects
- ✓ [Article 49] Verification/certification of greenhouse gas reductions from offset projects and revocation of verification/certification
- ✓ [Article 50] Management and operation of [offset register](#)



Guideline for validation and verification of offset projects

Offset program

Eligibility



Fundamental reduction of GHGs



Voluntary projects outside ETS BEs



UNFCCC based offset credits(CERs, A6ERs)

1CER → 1KOC

- ✓ (Phase I ~ III) CERs from domestic & overseas CDM projects conducted by domestic companies
- ✓ (Phase IV^[26~30]) A.6ERs from domestic & overseas A.6 projects conducted by domestic companies



Methodologies

- ✓ Registered methodologies required for offset projects



Additionality

- ✓ Projects not activities to meet legal laws or regulations
- ✓ Additional activities beyond what can be done under normal business conditions required for reductions



NO! double counting/claim

Offset program

Main check points for validation

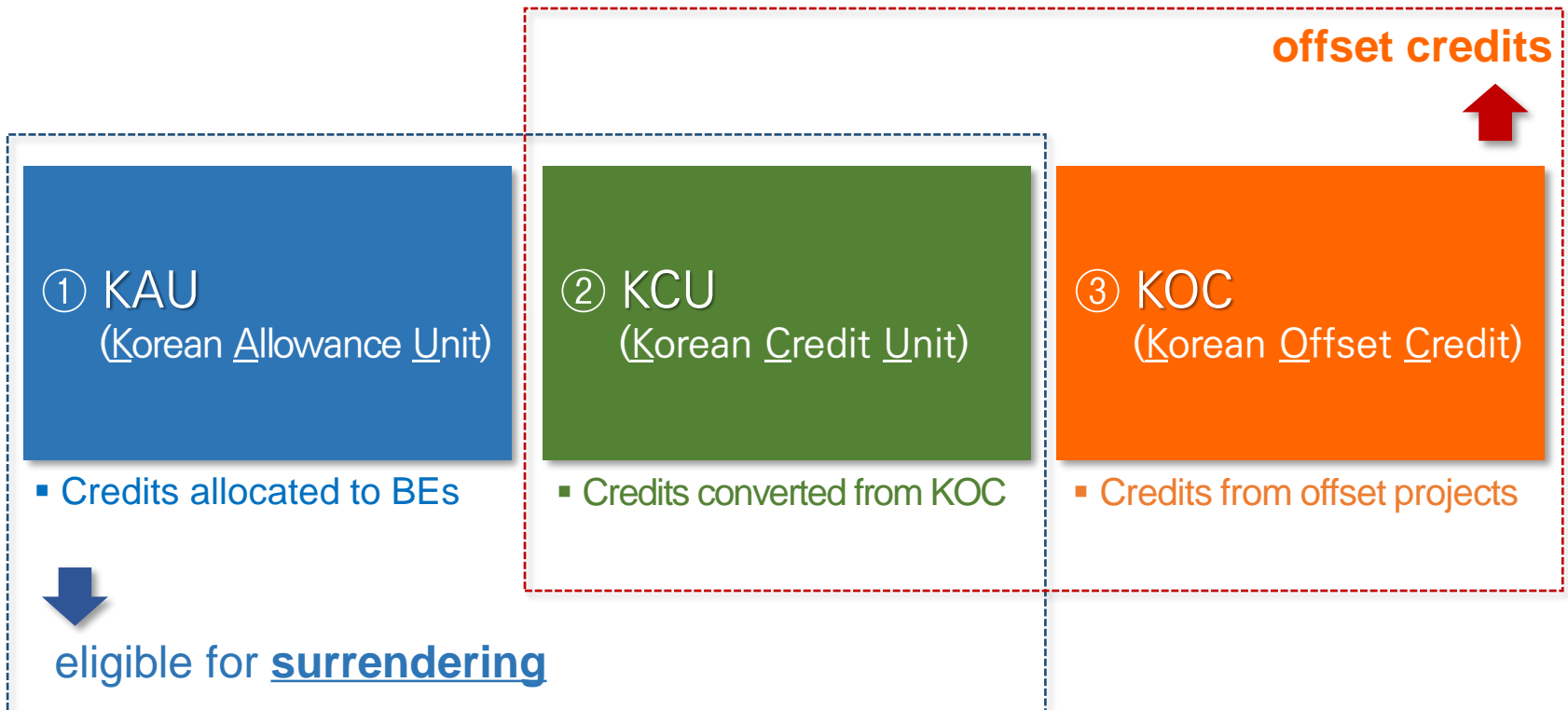
- ① **General requirements of offset programs**(e.g. project start date, etc.)
- ② Registered methodology(ies) applied
- ③ Appropriateness of baseline scenario(s)
- ④ Appropriateness of additionality assessment
- ⑤ Appropriateness of GHGs emissions calculations
- ⑥ Appropriateness of monitoring plans
- ⑦ Appropriateness of monitoring period
- ⑧ **Double registration with other offset mechanisms**
- ⑨ Appropriateness of feedback against request for revision(if any)
- ⑩ Debundling assessment for small/micro scale projects
- ⑪ Appropriateness of plans for PoAs

✓ CERs from CDM projects

✓ CERs from CDM projects

Offset program

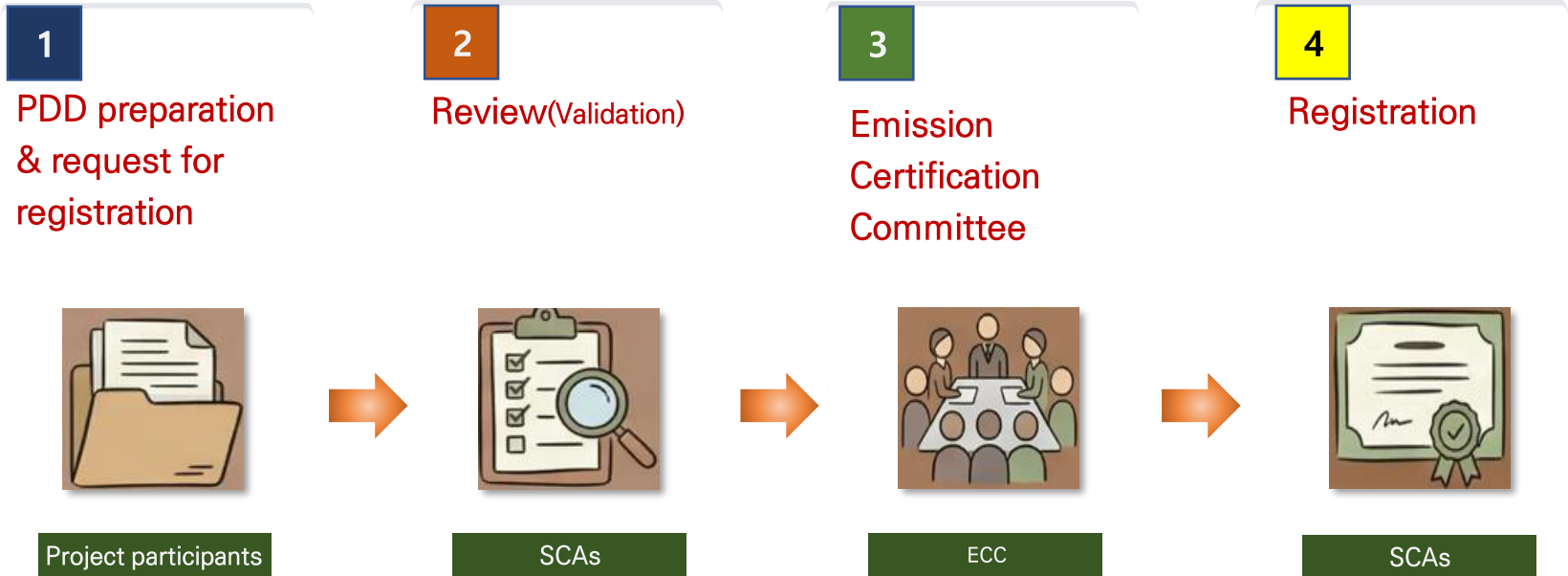
Types of credits



* 1 KAU = 1 KCU = 1 KOC

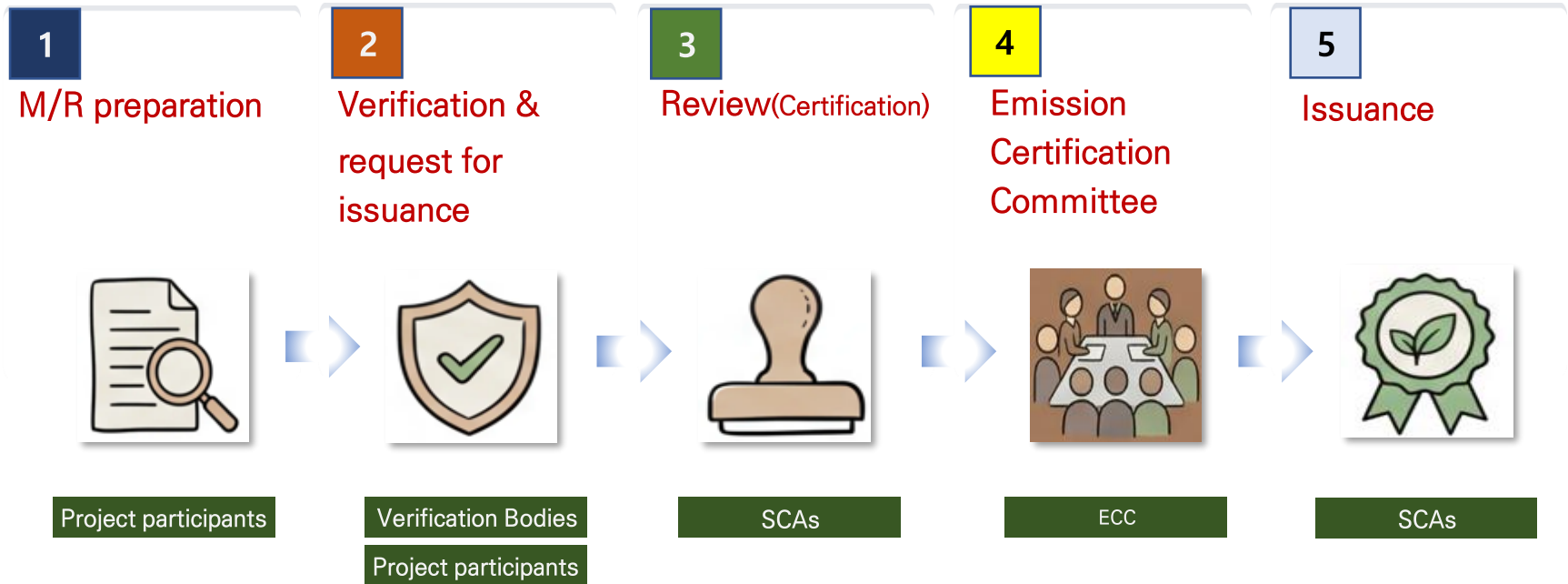
Offset program

Registration process for offset projects/methodologies



Offset program

KOCs issuance process



Offset program

Status

Registered methodologies

Methodologies available for offset projects

Total 321

Non-CDM methodologies

110

CDM methodologies

211



	Waste	Industry	Building	Transport	Agriculture	Forest	Ocean	Marine
non-CDM(110)	14	37	15	11	17	5	5	6
CDM(211)	26	153	6	17	5	4	-	-

➤ as of Mar. 2026

Offset program

Status



Registered offset projects & KOCs issuance

 Offset projects registered

1,389

 KOCs issued

58,590,762

	No. registered projects	KOCs issued	Converted KCUs
Total	<u>1,389</u>	<u>58,590,762</u>	33,976,157 (58%)
non-CDM	1,016(73%)	2,453,909(4%)	
CDM	373(27%)	56,136,853(96%)	