

ABSTRACT

This study aims to analyze carbon trading arrangements based on the Paris Agreement 2015 as the current international carbon trading instrument. The type of research used is Juridical-Normative with Legislation Approach, Conceptual Approach and Historical Approach. By reviewing the regulations regarding carbon trading in international law and literature studies in the form of books, journals and scientific articles, the authors found that there is legal ambiguity in the current global carbon trading instrument, the Paris Agreement 2015. This agreement contains general matters regarding forms cooperation that can be carried out by countries in efforts to reduce global GHG emissions. The problem in this study is that the carbon trading mechanism used in the Paris Agreement does not contain ambitious targets for determining Nationally Determined Contributions (NDC) of state parties, so that countries are vulnerable to inconsistencies in setting emission reduction targets. In addition, the absence of regulation regarding carbon pricing also makes the carbon trading mechanism less effective and ambitious. Judging from the position of the Paris Agreement as implementing regulations for the Global Climate Change Convention, the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement should contain administrative matters regarding the implementation of carbon trading as an effort to control climate change. Therefore, it is necessary to reformulate carbon trading regulations globally, especially regarding the maximum and minimum emission reduction targets for each country and provisions regarding global carbon prices (carbon pricing).

Keywords: *International Environmental Law; Paris Agreement; Carbon Trading*