

4th A6IP Working Group on Authorization

July 31st, 2024

Countries' experience in formulating authorization framework

Leang Sophal
Deputy Director of Department
General Directorate of Policy and Strategy
Ministry of Environment, Cambodia

Introduction to the Article 6 Operations Manual

- **Royal Government of Cambodia** by clarifying the roles and responsibilities of the National Authority for GHG ER Mechanisms and the processes for managing requests for authorization (Chapters 1–3).
- Project proponents seeking to generate authorized greenhouse gas emission reductions (GHG ERs) from projects implemented in Cambodia by communicating the criteria against which requests for authorization are assessed (Chapter 2) and clarifying the processes specific to Article 6 GHG ER projects that project proponents must follow (Chapter 3).
- **Potential buyer entities** by demonstrating that the Royal Government of Cambodia (RGC) has established arrangements for authorization and reporting on Article 6 cooperative approaches to which it is a party, and that Cambodia meets the Article 6.2 participation requirements (Chapter 1).

•

Authorization criteria for GHG ER Projects

 All project proponents seeking the authorization of GHG ERs generated from their projects are required to satisfy the eligible criteria

	GHG ER project proponent obtains Letter of Approval			
+	2. Inclusion in 'positive list' of GHG ER projects			
	3. Share of GHG ERs reserved for domestic use			
C	4. Authorization period aligned to Article 6.4 crediting periods			
	5. Authorized GHG ERs issued by an eligible carbon mechanism			
	6. GHG ERs are real, verified, and additional			
	7. GHG ERs are generated from 2021 onward			
<u>~~</u>	8. GHG ER project ensures environmental integrity by: i. Setting baselines conservatively and below 'business-as-usual' emission projections ii. Minimizing risk of non-permanence of mitigation			
9	9. GHG ER project is aligned with Cambodia's sustainable development priorities			

2. Inclusion in positive list of GHG ER projects



RGC has done significant work in identifying priority sectors and activities for mitigation action

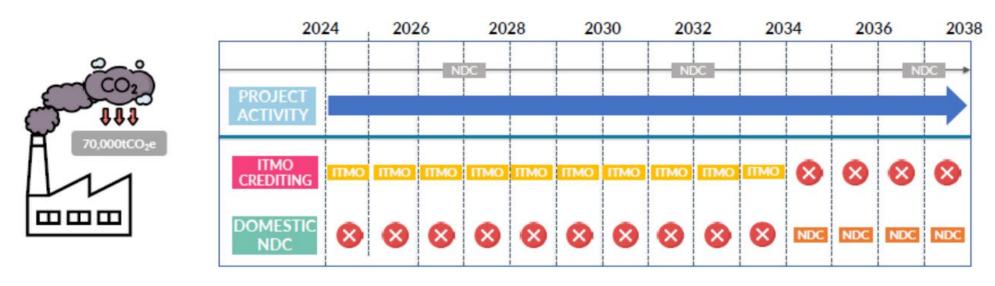
The positive list encompasses all activities designated as 'conditional' in the RGC's updated NDC

3. Share of GHG ERs reserved for domestic use



The share of GHG ERs will be determined on a case-by-case basis. GHG ER project proponents must specify the share of GHG ERs to be reserved for domestic use in their request for authorization.

4. Authorization period aligned with Art 6.4



Authorizations will be granted for a maximum period (as stipulated in Article 6.4) of either:

- o 5 years, renewable a maximum of twice, for a total of 15 years; or
- o 10 years with no option of renewal; or
- o 15 years, renewable a maximum of twice, for a total of 45 years (only applicable for GHG ER projects involving removal

5. Authorized GHG ERs issued by an eligible carbon mechanism

GHG ERs authorized by the RGC must be issued by an eligible carbon mechanism.

Bilateral Carbon Mechanism

Eg: Joint Crediting Mechanism

Article 6.4 Mechanism s Independen t Carbon Mechanism s

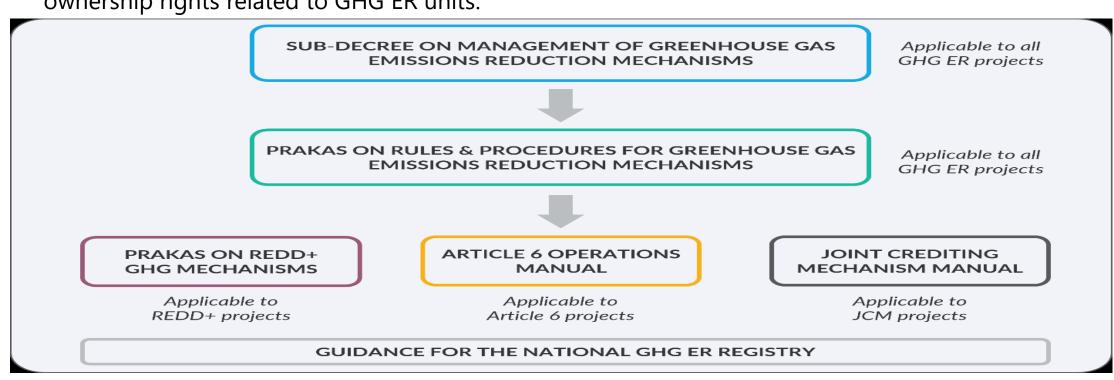
Eg: Gold Standard and Verified Carbon Standard (VCS)

The carbon mechanisms must have following characteristics:

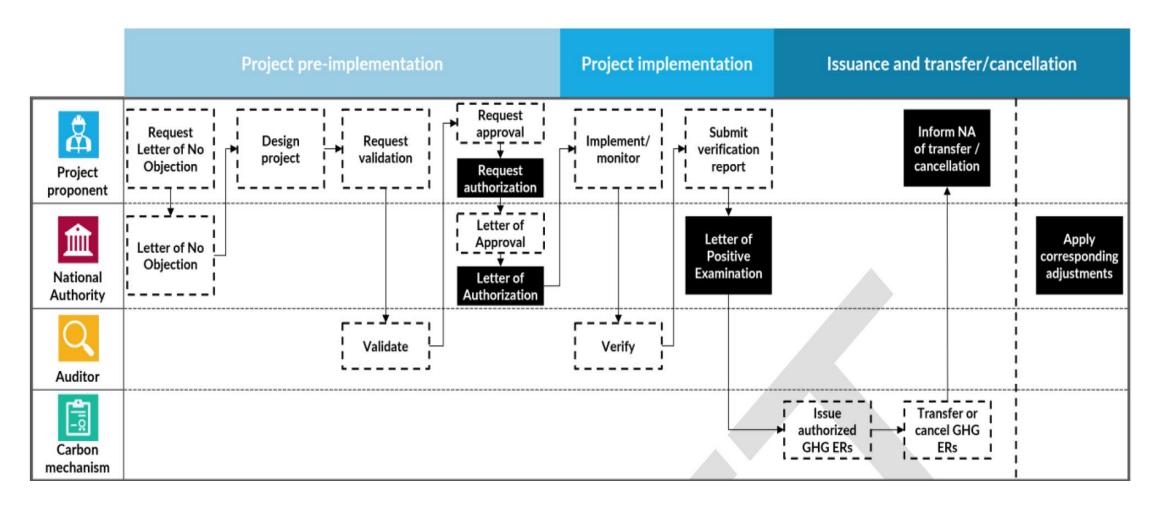
- Must generate units that represent emissions reductions or removals that are additional.
- GHG ER units must be quantified, monitored, reported, and verified.
- GHG ER units must have a clear and transparent chain of custody within the carbon mechanism (i.e., each authorized GHG ER must be assigned a unique identifier that can be tracked from when the unit is issued through to its transfer and/or cancellation).
- GHG ER units must represent emissions reductions or removals that are permanent.
- Carbon mechanisms must have measures in place to assess and mitigate incidences of leakage.
- GHG ERs are only counted once towards a mitigation obligation (i.e., the carbon mechanism has in place measures to avoid double issuance, double use, and double claiming).

Regulatory framework for managing GHG ER mechanisms

- The RGC has developed a regulatory framework for managing and approving GHG ER projects implemented in the country. This regulatory framework includes the rules and procedures for developing and implementing GHG ER projects in Cambodia, and transferring the GHG ERs generated.
- The Sub-decree on Management of Greenhouse Gas Emission Reduction Mechanisms (hereafter, referred to as "the Sub-decree") establishes a permanent National Authority for GHG ER with sole responsibility for approving all GHG ER projects on behalf of the RGC. The Sub-decree also clarifies ownership rights related to GHG ER units.



Process for authorization of GHG ERs and the positive examination, issuance, and transfer/cancellation of authorized GHG ERs



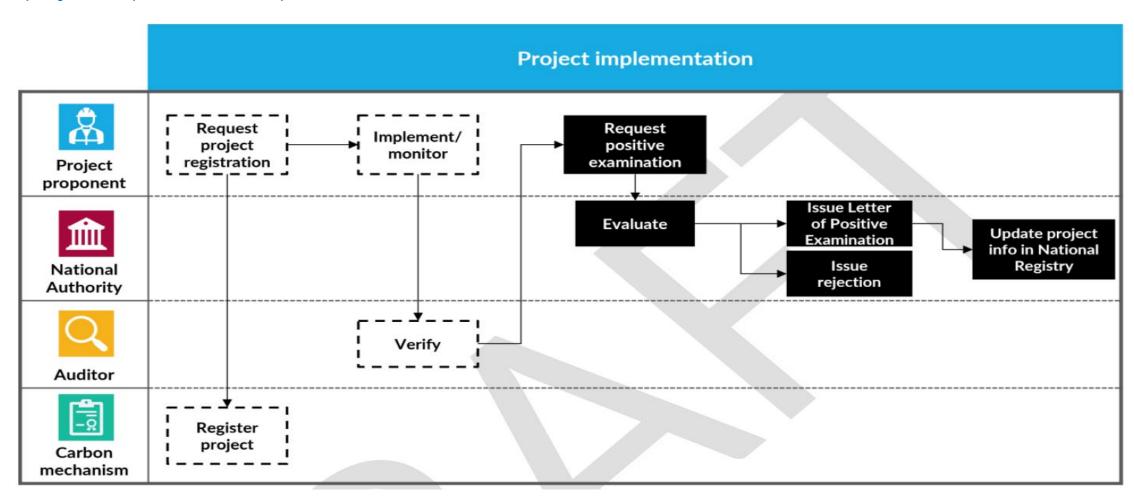
Project pre-implementation steps

This section outlines the process for requesting the authorization of GHG ERs generated from projects implemented in Cambodia during the project pre-implementation phase.

Applicability	Step	Relevant actors	Action	Details Details
ALL	1		Request Letter of No Objection	 Requesting a Letter of No Objection is an optional step for all GHG ER projects. The National Authority encourages project proponents to request a Letter of No Objection to receive recommendations from the National Authority on how to maximize sustainable development co-benefits and to ensure alignment with national development priorities. The procedure for requesting and obtaining a Letter of No Objection is covered in the Prakas on GHG ER Mechanisms. Following the issuance of a Letter of No Objection, the National Authority will also be responsible for adding the project details in the National GHG ER Registry.
	2		Request validation	 Project proponents shall submit a request for independent validation in line with the procedures established by the relevant carbon mechanism. Carbon mechanisms eligible to issue authorized GHG ERs generated from projects in Cambodia are listed in Chapter 2.
	3		Request Letter of Approval	 Requesting a Letter of Approval is a mandatory step for all project proponents seeking the Article 6 authorization of GHG ERs generated from their projects. The procedure for requesting and receiving a Letter of Approval is covered in the Prakas on GHG ER Mechanisms. Following the issuance of a Letter of Approval, the National Authority will also be responsible for adding/updating the project details in the National GHG ER Registry.
A6 ONLY	4	A	Request Letter of Authorization	 Requesting a Letter of Authorization is a mandatory step for all project proponents seeking the Article 6 authorization of GHG ERs generated from their projects. Project proponents may submit a joint request for a Letter of Approval and Letter of Authorization. If the project proponent has already received a Letter of Approval for the GHG ER project, the request for Letter of Authorization shall be made as a standalone submission. The process for requesting the authorization of GHG ERs is detailed in Table 3 below.
	5	血	Submit initial report	 Following issuance of a Letter of Authorization, the National Authority Secretariat will submit an initial report for the relevant cooperative approach. The process for submitting an initial report is further detailed below.

Project implementation

This section outlines the process for Article 6 GHG ER projects implemented in Cambodia during the project implementation phase.



Issuance and transfer/cancellation

This section outlines the process for the issuance and transfer and/or cancellation of authorized GHG ERs. While some carbon mechanisms have established procedures for the issuance and transfer/cancellation of authorized GHG ERs, others may not yet have such procedures in place.

