Introduction to A6IP Capacity Building Tools



Paris Agreement Article 6
Implementation Partnership Center



Structure of A6IP Capacity Building Tools

The A6IP CB Tools covers the following elements (non-sequential):

Thematic areas Key elements		What is covered	Regular updates
	Introduction of Article 6 Rulebook	Background information on relevant CMA decisions, guidelines and formats.	Includes new decisions and emerging/broadly accepted concepts
AuthorizationTracking	How-to Guide (Step-by-step assistance)	Step-by-step assistance to set up/ implement each component of Article 6 rules, with instructions and templates for consideration (To be developed as part of A6IP Support Package)	Any revision/addition based on lessons learnt from deploying the materials
• Reporting	Showcase (Practice on the ground)	Examples of practical implementation (case studies) from different countries and cooperating partners	Additional/new case studies
	Article 6 Library (Further reading)	Compilation of useful knowledge products/resources/tools/databases provided by various partners	Additional available resources

Objectives of the A6IP Capacity Building Tools

A6IP Center develops and maintains these materials and support partner countries in building understanding and promoting effective Article 6 implementation as well as facilitating access to useful knowledge products and tools available from partner organizations to promote further access and collaboration among various actors.

These materials and tools aim to:

- Represent information in an easy-to-navigate manner and in a balanced and objective manner;
- Formulate the structures/contents based on relevant COP/CMA decisions and use agreed/adopted terminologies where applicable;
- Reflect outcomes from the Article 6 negotiation without prejudging the ongoing discussion under the UNFCCC process (Matters under discussion will be clearly marked);
- Present practices and approaches of implementation by countries; however, the materials/tools do not make political judgement as to the appropriateness or preference of each approach countries apply in matters under country's own discretion/national prerogative;

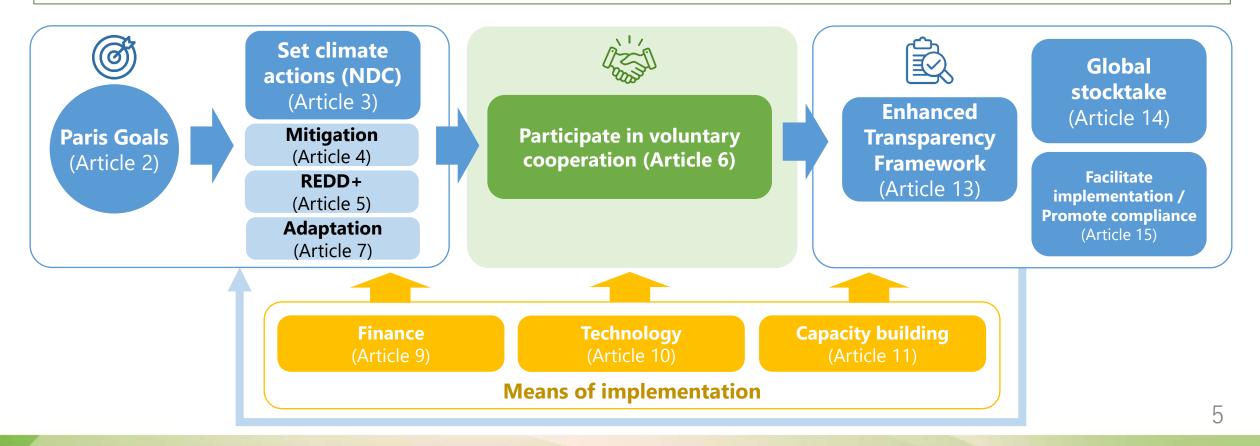
Resources used are from official sources and cited.



Introduction

Paris Agreement Overview and Article 6

- The Paris Agreement sets the long-term temperature goal of limiting global temperature to 1.5 well below 2°C.
- Under the Paris Agreement, countries must communicate their **Nationally Determined Contributions (NDCs)** describing actions to reduce GHG emissions and build climate resilience in order to reach the goals of the Paris Agreement.
- In implementing the NDC, countries must pursue domestic mitigation measures (Article 4.2). **Countries may also choose to pursue voluntary cooperation (Article 6)** to, among others, allow for higher ambition in their actions.



Participation in cooperative approaches under Article 6 of the Paris Agreement



Parties to the Paris Agreement may choose to pursue **voluntary cooperation** in the implementation of their climate actions (Nationally determined contributions: NDCs) to allow for:

- Higher ambition in their mitigation and adaptation actions;
- To promote sustainable development; and
- To promote environmental integrity.

Ref: Article 6.1 of the Paris Agreement



Higher ambition

Article 6 allows for high mitigation ambition through promoting cost-effective mitigation actions, access to low-carbon technologies, carbon finance, and capacity building. Article 6 also have elements which considers contribution to adaptation efforts.



Sustainable development

Article 6 promotes sustainable development objectives of the host country, including by delivering environmental, economic and social co-benefits as well as promoting progress towards Sustainable Development Goals (SDGs).



Environmental integrity

Article 6 cooperative approaches must ensure environmental integrity which includes by having **robust**, **transparent governance** and the **quality of mitigation outcomes**.

Components of Article 6 of the Paris Agreement

Paris Agreement Article 6.1

Recognizing that some Parties choose to pursue **voluntary cooperation** in the implementation of their NDCs.

Cooperative approaches under Article 6.2

When engaging in **cooperative approaches** that involves the use of **ITMOs***,

6.2

6.3

- Promote sustainable development
- Ensure environmental integrity
- Apply robust accounting to avoid double counting consistent with CMA* guidance

The use of ITMOs towards NDCs shall be **voluntary and authorized** by participating Parties.

Article 6.4 Mechanism

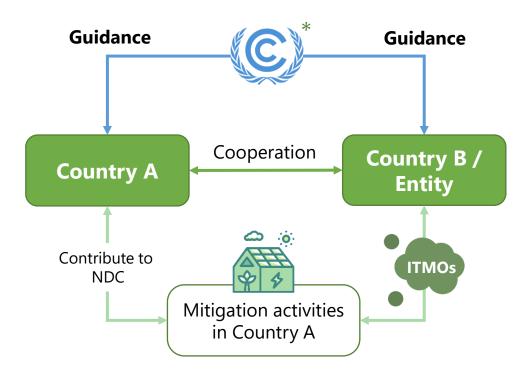
- Establishes **Article 6.4 mechanism**, supervised by a designated body (Supervisory Body), and lays out the objectives of the mechanism
- 6.4ERs not to be used for host Party's NDC if used by another
- Use of **share of proceeds** for administrative expenses and adaptation
- 6.7 Mandate for CMA to adopt rules, modalities, and procedures

Framework for non-market approaches

- Recognizes the importance of **non-market approaches** to assist NDC in the context of sustainable development and poverty eradication
- Defines a framework for nonmarket approaches to sustainable development
- * ITMOs: Internationally transferred mitigation outcomes CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

Guidance on cooperative approaches under Article 6.2

Example of a cooperative approach structure



Countries/parties to the Paris Agreement (referred to as "participating parties") may engage on a voluntary basis in cooperative approaches that involve the use of "internationally transferred mitigation outcomes" (ITMOs) towards NDCs and other international mitigation purposes.

In doing so, each participating party must ensure that its participation in the cooperative approach is **consistent with the Article 6.2 guidance** and relevant CMA decisions. This includes, inter alia:

- Ensuring fulfilment of participation
- Avoiding double counting of ITMOs through application of corresponding adjustments referred to in the guidance
- Tracking and reporting which goes through the review process in accordance with the guidance

The guidance also lays out **Article 6.2 infrastructure**, including centralized accounting and reporting platform (CARP) and Article 6 database.

Examples of mitigation activities under Article 6.2



Promotion of climate smart agriculture practices for sustainable rice cultivation in Ghana







Max. **3,231,171** tCO₂e (2023-2030)



Emissions Reductions from Sustainable Management of Forests







Operation of e-buses on privately owned, scheduled public bus routes in the Bangkok Metropolitan area







Max. **500,000** tCO₂e (2022-2030)



Reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks





Qty. not specified



Electrification of Vanuatu's Inhabited Islands through Solar Power ITMO Programme





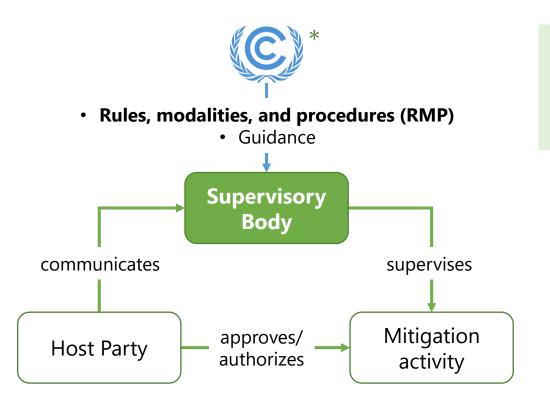




List of cooperative approaches (IR submitted)
Interim CARP (Click here)

Article 6.4 Mechanism

(Paris Agreement Crediting Mechanism: PACM)



Article 6.4 Mechanism is a centralized UN crediting mechanism that enables the creation of Article 6.4 emission reductions (A6.4ERs) that can be used by countries to meet their NDCs (subject to authorization status) and other purposes.

Article 6.4 Supervisory Body supervises the mechanism, including establishing the requirements and processes necessary to operate the mechanism.

The host country (the country in which the activity is located) has important roles in the implementation of the mechanism including by providing an approval of the mitigation activity and an authorization in the context of Article 6.2 (if decided so).

* CMA: Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.



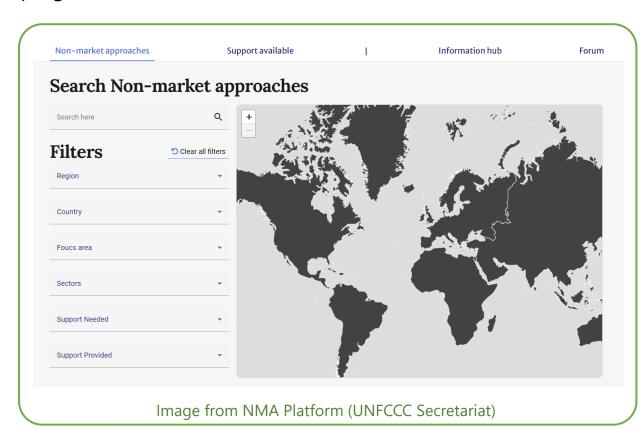
Further reading

- Article 6.4 Mechanism website (<u>Click here</u>)
- Article 6.4 Supervisory Body website (<u>Click here</u>)

Framework for non-market approaches (Article 6.8)

The framework for non-market approaches (NMAs) facilitates the use and coordination of NMAs and enhances linkages/creates synergies between, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building. The framework is implemented through the work programme adopted at COP26.

The Glasgow Committee on Non-market Approaches was established to implement the framework and the work programme.



The NMAs work programme includes activities such as (non-exhaustive):

- Workshops to identify and share information, best practices, lessons learned and case studies on NMAs
- UNFCCC web-based platform for recording and exchanging information on NMAs



NMA tools

NMA Platform (<u>Click here</u>)

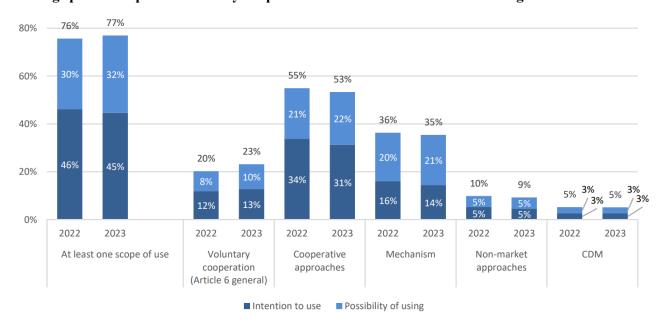
Intention to use Article 6

77% of Parties to the Paris Agreement stated that they plan to or will possibly use at least one type of voluntary cooperation under Article 6 of the Paris Agreement.

- **53%:** Use of cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement
- 35%: Use of the mechanism established by Article 6, paragraph 4
- 23%: General use of voluntary cooperation

- UNFCCC Secretariat

Share of Parties indicating in nationally determined contributions the intention to use or possibility of using specific scopes of voluntary cooperation under Article 6 of the Paris Agreement



Source: Image from 2023 NDC Synthesis Report (UNFCC Secretariat)

Article 6 Rulebook: Key decisions on Article 6.2 & 6.4

Component	Body	COP 26 Glasgow, 2021	COP 27 Sharm El-Sheikh, 2022	COP 28 Dubai, 2023
Article 6.2	СМА	Decision 2/CMA.3 Article 6.2 guidance	 Decision 6/CMA.4 Tracking guidance Review guidance Reporting outlines Draft version for submitting annual information (AEF) 	No further guidance
Article 6.4	СМА	Decision 3/CMA.3 Article 6.4 rules, modalities and procedures (RMP)	 Decision 7/CMA.4 Elaboration of processes, including on CDM transition Rules of Procedure for A6.4SB 	No further guidance
	A6.4SB		A number of standards and procedures developed by Article 6.4 Supervisory Body	

Other relevant decisions include e.g. Para. 77 (d) of Decision 18/CMA.1 (Enhanced Transparency Framework)

Article 6.2 participation checklist

To participate in the cooperative approaches, each participating party has to ensure that it has fulfilled the participation referred to in the Article 6.2 guidance.

The following checklist aims to facilitate countries in conducting an initial stocktake of their readiness status with respect to the participation elements in order to identify the country situation and needs.

	Participation	Checklist	Readiness status
1.	Being a Party to the Paris Agreement	☐ Have you ratified the Paris Agreement?	□ Yes
2.	Prepared, communicated and maintaining an NDC	☐ Have you communicated the (latest) NDC?	☐ Yes, the (latest) NDC is recorded on the NDC registry
3.	Authorization arrangements	 □ Have you assigned an authority to be in charged with providing authorization? □ Have you established the process for providing such authorization, including any relevant procedural, legislative, infrastructural or other arrangements? 	 □ Yes, the relevant arrangements/ legislation is now operational/in effect □ The framework is in place; Currently in the institutionalization/legalization process (where applicable) □ Currently in a drafting process □ Currently conducting a study □ Under consideration

... (Please see next slide)

Article 6.2 participation checklist (cont.)

	Participation	Checklist	Readiness status
4.	Tracking arrangements	☐ Do you have in place a registry or have access to a registry for tracking ITMOs?	 ☐ Yes, already has a registry which can perform Article 6 functions ☐ Currently improving an existing registry to be compatible with Article 6 ☐ Currently working with a development partner to develop a registry ☐ Intends to use the international registry ☐ Under consideration
5.	Provided the most recent national inventory report	☐ Have you provided the most recent national inventory?	 □ Yes, the most recent national inventory can be found in the latest NC/BUR/NI (prior-2024) □ Currently have limited capacity with national inventory
6.	Contribution to NDC, LT- LEDS (if it has submitted one), and the Paris goals	 □ Have you identified the use of Article 6 in the context of your NDC? □ Have you considered the contribution of Article 6 to your LT-LEDS (if applicable) □ Have you considered the contribution of Article 6 towards the long-term goals of the Paris Agreement? 	 ☐ Yes, national policy/strategy on the use of Article 6 is in place ☐ Currently formulating/revising the national policy/strategy ☐ Under consideration

Article 6.2 Implementation at a Glance

Key phases

Preparation phase

Key activities

Ensure fulfilment of participation including:

- Put in place authorization arrangements
- Put in place tracking arrangements



- Provide authorization the use of ITMOs
- Track ITMOs information
- Report information and apply corresponding adjustments to avoid double counting



In the BTR containing end year of the NDC implementation period

 Application of the necessary corresponding adjustments in the assessment of achievement of the NDC

Reporting



(no later than authorization of ITMOs or in conjunction with the next due BTR)



- Annual information (by 15 April each year)
- Regular information (by 31 December every 2 years with the BTR)

Article 6.4 participation responsibilities checklist

<u>Prior to</u> participating in the Article 6.4 mechanism, each host party/country of Article 6.4 activities must ensure that it has fulfilled the following participation responsibilities (mandatory):

Pa	rticipation responsibilities	Checklist	Reference
1.	Being a Party to the Paris Agreement	☐ Yes ☐ No (See also Decision 7/CMA.4, annex I, para. 25 (a))	UN Depository (access link)
2.	Prepared, communicated and maintaining an NDC	☐ Yes ☐ No (See also Decision 7/CMA.4, annex I, para. 25 (b))	NDC registry (access link)
3.	Designated a national authority	☐ Yes ☐ No	List of Article 6.4 DNAs (access link)
4.	Indicated contribution to sustainable development	☐ Have you clarified how the participation in the Article 6.4 mechanism contributes to sustainable development?	Host Party participation requirements form (A6.4-FORM-GOV-001) (access link)
5.	Indicated the types of Article 6.4 activity that it would consider approving and contribution to NDC, LT-LEDS, and the Paris goals	 □ Have you decided on the activity types that your counter would consider approving/authorizing? □ Have you clarified how these activities would contribute to your NDC (if applicable), LT-LEDS (if submitted one) and the long-term goals of the Paris Agreement? 	

Article 6.4 participation responsibilities checklist (Optional)

In addition to the mandatory participation responsibilities, a host party/country may specify the following (on a voluntary basis) to the Article 6.4 Supervisory Body <u>prior to</u> participating in the mechanism:

Participation responsibilities (Optional)	Checklist	Reference	
1. Baseline approaches and other methodological requirements	approaches and other methodological	The development of baseline approaches and other methodological requirements, including additionality, are pending a decision by the CMA. A host Party may determine a more ambitious level [of baselines] at its discretion. (Decision 3/CMA.3, annex, para. 36)	
2. Crediting periods	 Do you wish to specify the crediting periods to be applied for Article 6.4 activities that you intends to host, including whether the crediting periods may be renewed? In doing so, have you clarified how those crediting periods are compatible with your NDC and LT-LEDS (if submitted one)? 	 The standard crediting period is: A maximum of 5 years (renewable twice) or a maximum of 10 years (with no renewal) or For activities involving removals, a crediting period of a maximum of 15 years (renewable twice) Host party may specify a shorter crediting period. (Decision 3/CMA.3, annex, para. 31 (f)) 	



Authorization

Authorization under Article 6.2

"Authorization" is one of the key elements of Article 6 implementation. Authorization are provided by participating parties/countries to the cooperative approach. Authorization enables mitigation outcomes to be used towards NDCs or other international mitigation purposes (OIMPs).

Article 6 Rulebook on authorization

Paris Agreement Article 6.3

The use of ITMOs to achieve NDCs shall be voluntary and "authorized" by participating Parties (to the Paris Agreement).

Article 6.2 Guidance

(Decision 2/CMA.3)

Authorization arrangements

Reporting on authorization

Further guidance

(under discussion)

Authorization process and timing

Content of authorization

Change to authorization

Format of authorization

Transparency / Reporting in AEF

Authorization defines ITMOs

Decision 2/CMA.3, annex, para. 1 provides description of "internationally transferred mitigation outcomes" (ITMOs), in which authorization is an essential element which defines ITMOs and their use cases.

ITMOs

Internationally transferred mitigation outcomes

Mitigation outcomes

Real, verified, additional

Emissions reductions and removals (incl. mitigation co-benefits)

Measured in tCO₂eq or in other non-GHG metrics

Represented mitigation from 2021 onward

Authorization

Use towards an **NDC**

or/and

Use for "Other international mitigation purposes" (OIMPs)

- Use for international mitigation purpose other than NDC
- Use for other purposes as determined by the first transferring participating party

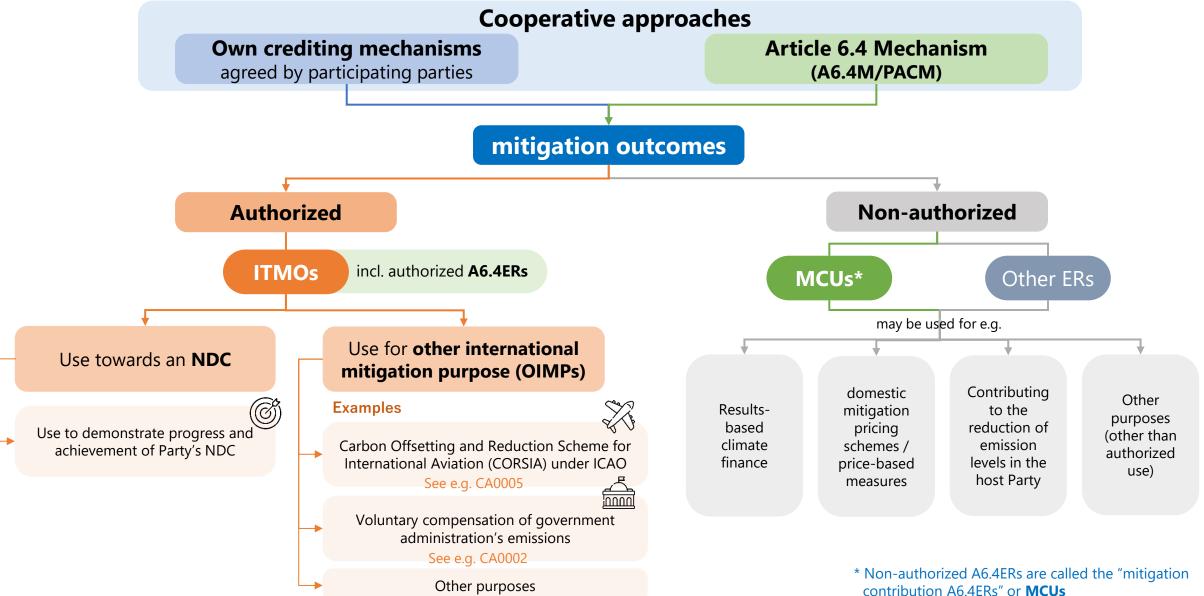
Implications of authorization

Commitment of the country to apply corresponding adjustments to avoid double counting of ITMOs authorized and "first transferred"

Definition of "first transfer" depending on the authorized use

Ref: Decision 2/CMA.3, annex, para. 1

Authorized and non-authorized use cases of mitigation outcomes



Authorization and NDC

In participation in the cooperative approach, each party must demonstrate that its participation in Article 6.2 **contributes to the implementation of its NDC** and long-term low-emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement.

Ref: Decision 2/CMA.3, annex, para. 4 (f)

How the Article 6.2 participation contributes to the NDC

(Examples from submitted initial reports)

Article 6 role and implementation

- Implement activities that would not have happened without international support (Ghana)
- Promotes development and transfer of advanced technologies and innovation and provides access to financial resources (Thailand)
- Implement in line with country's sectoral roadmap (Vanuatu)

How Article 6 is used towards NDC

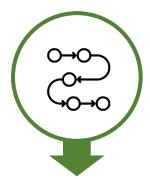
- Contribute to a portion of conditional mitigation target (Ghana, Vanuatu)
- Increase the NDC ambition by enabling mitigation activities outside NDC ('s sector and GHG coverage) (Ghana)

Authorization arrangements



Article 6.2 participation responsibilities (Decision 2/CMA.3, annex, para. 4(c))

Each participating party shall ensure that has **arrangements in place for authorizing the use of ITMOs** towards achievement of NDCs pursuant to Article 6.3 of the Paris Agreement.



What the authorization arrangements may contain (A6.2 manual/Illustrative elements)

- Which authorized authority has been charged with providing authorization
- The process for providing such authorization
- o Any relevant procedural, legislative, infrastructural or other arrangements, as applicable



Reporting obligations (Decision 2/CMA.3, annex, para. 18(a))

Report on authorization arrangements in the Article 6.2 initial report (Fulfilment of participation responsibilities)

Different aspects of authorization

Cooperative approach (Referred to in Decision 2/CMA.3, annex, chapter IV, paras. 18 (g))

Decision 2/CMA3, annex, chapter IV, para. 18 (g)

- ... The initial report shall contain comprehensive information to:
- (g) Provide, <u>for each cooperative approach</u>, **a copy of the authorization** by the participating Party

ITMOs (Referred to in e.g. Decision 2/CMA.3, annex, paras. 1, 20, 23, 29)

E.g. Decision 2/CMA3, annex, chapter IV, para. 20 (a)

Each participating Party shall...submit...annual information on **authorization of ITMOs** for use towards achievement of NDCs, **authorization of ITMOs** for use towards OIMPs...

Entities (Referred to in Decision 2/CMA.3, annex, chapter IV, paras. 18 (g), 20 (b), 23 (d))

E.g. Decision 2/CMA3, annex, chapter IV, para. 18 (g)

- ... The initial report shall contain comprehensive information to:
- (g) Provide, for each cooperative approach, ... the participating Parties involved and **authorized entities**

Reporting on authorization

Type of report	Elements relating to authorization			
Type of report	Cooperative approach	ITMOs	Entities	
Initial Report	Authorization	n arrangements (Participation res	sponsibilities)	
	A copy of the authorization by the participating party		Authorized entities	
Annual information		Annual information on authorization of ITMOs for NDC and OIMPs	The using authorized entity or entities (as soon as known)	
		The OIMP authorized by the Party		
Regular information	Authorizations and information authorizations	ations and information on authorization(s), including any changes to earlier ations		
	Annual quantity of authorized mitigation outcomes entities authorized to use such mitigation outcomes appropriate (in a structured summary)		mitigation outcomes, as	

A6IP Capacity Support for authorization

A6IP CB framework for authorization presented at Joint 3rd Working Group (March 14th, 2024)

Process	What to do Target groups or works	
Readiness	Readiness Provide supports to set strategies and policies Designated National Author Government organization	
Institutional Arrangements	Identify relevant members and/or ministries Develop Article 6 policy frameworks	DNAs Government organizations
Authorization Arrangements	Know what to authorize Identify necessary information and procedures	Bilateral cooperation Article 6.4 mechanism Independent standards
Authorization Arrangements	Changes in authorization status or contracts, where necessary	Development of procedures and rules (optional)



Key consideration on authorization

	Description	Key consideration
1	Determine the scope of use of Article 6 (Article 6 Strategy)	☐ How does the country intend to use Article 6 in the context of their NDCs?☐ What mitigation objectives will the country authorize ITMOs for?
2	Develop national authorization process	 Which body should be tasked with providing authorization? What legal, policy or institutional arrangement is needed for this purpose? How should the authorization process look like in the country?
3	Develop authorization criteria/ terms and provisions	□ What should be the criteria to decide whether to authorize ITMOs or not?□ What should be the authorization terms and provisions?
4	Determine the accounting approach	 □ Which corresponding adjustment method should the country apply? □ Defining application of "first transfer" under Article 6.2
5	Track and report on authorization (Link with tracking/reporting tools)	 How should authorization of ITMOs be tracked? What are the reporting requirements under Article 6 relating to authorization

Key elements in an authorization framework

An authorization framework generally cover the following key elements which are operationalized through different legal instruments and types of documents, based on the national legal system, delegation of powers, and other national contexts.

Primary legislation / Regulations	Subordinate legislation / Operational guidelines	Other documents		
Matters relating to authorization				
- Legal mandate and authority relating to authorization	Procedures for request and review/approval of authorization	Operational manual for officialsManual/guidance for mitigation activity developers		
- High-level principles guiding authorization (Optional)	Authorization criteria, terms and provisions	- Authorization request form- Authorization statement/ LoA template		
\	Other relevant procedures	- Other forms and templates, as needed		
Related matters				
Mandate to put in place/manage ITMOs	Functional requirements of a registry	Terms of reference for a registry		
tracking arrangements	Registry operational procedures	User manual		
Reporting mandate, including avoidance of double counting	Procedures for reporting and performing corresponding adjustments	Explanatory documents		

Examples of authorization frameworks

Order: Alphabetical

Country	Document title	Publication date	Status	Access
Cambodia	Operations Manual for the Implementation of Article 6 of the Paris Agreement on Climate Change in Cambodia	December 2023	Endorsed document	Click here
Ghana	Ghana's framework on international carbon markets and non-market approaches	December 2022 (Version 1)	Official document	Click here
Japan	Establishment of the JCM Promotion and Utilization Council	January 2022 (Revised Apr 2022)	Official document	Click here
	Procedures for Authorization as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (JCM)	April 2022	Official document	Click here
Kenya	The Climate Change (Carbon Markets) Regulations, 2024	May 2024	Enacted legislation	
Thailand	Carbon Credit Management Guideline and Mechanism (CCMGM)	March 2022	Official document	Click here

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Examples of authorization frameworks (cont.)

Country	Document title	Publication date	Status	Access
Singapore	International Carbon Credit (ICC) Framework	November 2022	Official document	Click here
	Eligibility Criteria and Eligibility List under the ICC Framework	December 2023	Official document	<u>Click here</u>
Switzerland	Federal Act on the Reduction of CO2 Emissions (CO2 Act) (Articles 5-12)	January 2022	Enacted legislation	<u>Click here</u>
	Process description for authorization and Monitoring, Reporting and Verification of mitigation activities under Art. 6 of the Paris Agreement	January 2023 (Version 1.0)	Official document	Click here
Zimbabwe	Carbon Credits Trading (General) Regulations, 2023	August 2023	Enacted legislation	Click here
Rwanda	National Carbon Market Framework	September 2023	Commissioned document	<u>Click here</u>
Vanuatu	Guidance Manual For Internationally Transferred Mitigation Outcomes (ITMOs) Projects in Vanuatu	August 2021 (Draft Version 1.0)	Commissioned document	

Consideration of authorization arrangements

(Institutions)

Article 6 implementation usually involves various bodies based on national context and arrangements. Roles and responsibilities relating to Article 6 implementation may be generally categorized into:

Examples of roles and responsibilities

Oversight, advisory and/or rule-making

- Provide policy advice and recommendations
- Approve Article 6 policy and implementation framework
- Monitor/review Article 6 implementation

Operation role

- Processes authorization requests and provides/issues authorization
- Implement necessary arrangements for tracking and reporting
- Prepare relevant reports under Article 6

Technical support role

- Provide technical advice and recommendations on Article 6
- Provide technical support for Article 6 implementation. This may include technical review of authorization requests, operating tracking infrastructure, etc.

Consideration of authorization arrangements

(Institutions)

Examples of key considerations in formulating institutional arrangements for authorization:

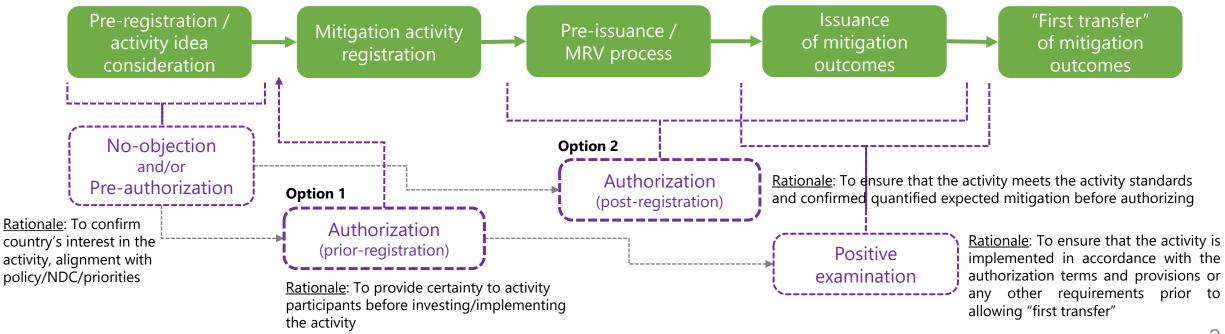
Topics	Consideration	Applied by (Example countries)
Authorizing entity	Similar body to CDM DNA	Cambodia, Rwanda, Sweden, Switzerland, Vanuatu
	Similar body to UNFCCC National Focal Point (NFP) (in case different from CDM DNA)	Thailand
Bodies involved in the authorization process	Inter-ministerial committee (Oversight/advisory and/or rulemaking)	Ghana, Japan, Rwanda, Thailand, Switzerland
	Inter-ministerial technical working group/committee	Ghana
	Intra-ministerial technical working group/committee	Cambodia
Engagement of private sector	Represent as part of the member of a committee(s) or a working group(s) (e.g. in a form of a federation)	Ghana, Rwanda, Thailand

Incorporating authorization arrangements with mitigation activity cycle

Authorization and related processes (if any) may occur at different stage of mitigation activity cycle based on different authorization framework and arrangements.

The diagram below aims to illustrate how various authorization processes are incorporated into the mitigation activity cycle. (Please note the each process below is not necessarily applied by all countries).

Standard mitigation activity cycle (Simplified)



Consideration of authorization arrangements

(Processes)

Examples of key considerations in formulating relevant processes for authorization:

Topics	Consideration	Applied by (Example countries)
Timing of authorization	Provides authorization prior to mitigation activity registration or implementation	Ghana, Switzerland, Thailand
	Provides authorization after mitigation activity registration or implementation	Guyana, Japan
Related processes	Involves expression of interest process	Switzerland
	Involves no-objection process	Cambodia
	Involves pre-authorization process	Ghana
	Involves positive examination process	Cambodia, Ghana, Switzerland, Thailand

Key consideration for authorization

- ☐ How the authorization ensures that the mitigation activity contributions to the implementation of the country's NDC (Ref: Decision 2/CMA.3, annex, para. 4 (f))
- ☐ How the authorization ensures that the transfer of mitigation outcomes will not undermine the country's ability to achieve its own NDC
- ☐ How the authorization addresses elements required for Article 6 reporting, including on, among others, environmental integrity and sustainable development (Ref: Decision 2/CMA.3, annex, paras. 18-22)

Areas of ITMOs authorization criteria

Authorization consideration usually involves setting a list of eligibility criteria used in determining whether the authorization will be provided.

Examples of authorization criteria used by countries may be grouped into the following areas:

NDC and ambition	Environmental integrity	Sustainable development and related matters	Adaptation / OMGE
Relation to NDC	Environmental integrity and related requirements under Article 6.2	Contribution to sustainable development	Share of mitigation and other benefits
Technology aspects	Applied mitigation activity standards	Safeguards/no net harm	Adaptation contribution
Financial aspects		Respect of human rights	Overall mitigation in global emissions (OMGE)

Examples of ITMOs authorization criteria:

NDC and ambition

Topics	Authorization criteria	Applied by (Example countries)
Relation to NDC	■ Be an activity or technology from conditional mitigation measures in the NDC	Ghana
	☐ Be an activity that leads to GHG reduction/removal in addition to national GHG mitigation plans	Thailand
	☐ Included in 'positive list' of mitigation activities	Cambodia
	☐ Not included in 'red list' of mitigation activities (i.e. not fall within unconditional mitigation measures)	Ghana
Technology aspects	 Promote development and transfer of advanced technology or innovation 	Thailand
	 Comply with applicable technologies in the CDM positive list of technologies 	Ghana
	☐ Avoid locking in carbon-intensive technologies or practices	Switzerland
Financial aspects	☐ Require a large amount of investment	Thailand

Examples of ITMOs authorization criteria:

Environmental integrity

Participating countries are required to report on how each cooperative approach ensures environmental integrity (Decision 2/CMA.3, annex, para. 18 (h), 22 (b)). Article 6.2 guidance describes key consideration on environmental integrity which countries may incorporated into the authorization criteria to ensure alignment of implementation with the Article 6.2 guidance.

Topics	Authorization	Authorization criteria	
Environmental	Environmental El and related requirements under Article 6.2	☐ Real, verified additional (2/CMA.3, annex, para. 1 (a))	
integrity (EI)		☐ No net increase in global emissions (2/CMA.3, annex, para. 18 (h)(i))	
		☐ Conservative reference levels, conservative baseline below BAU (2/CMA.3, annex, para. 18 (h)(ii))	
		☐ Taking into account all existing policies (2/CMA.3, annex, para. 18 (h)(ii))	
		☐ Addressing uncertainties in quantification and potential leakage (2/CMA.3, annex, para. 18 (h)(ii))	
		☐ Minimizing the risk of non-permanence (2/CMA.3, annex, para. 18 (h)(iii))	

Remarks: Countries may set higher standards or elaborate further on the elements addressed in Article 6.2.

Examples of ITMOs authorization criteria:

Sustainable development and related matters

Participating countries are also required to report on other information relating to environmental, economic and social impacts, human rights, and sustainable development (Decision 2/CMA.3, annex, para. 18 (i), 22 (f-h)). Below are examples of approaches countries may take to incorporate these elements into the authorization criteria.

Topics	Authorization criteria	Applied by (Example countries)
Sustainable development	☐ Apply appropriate sustainable development tools available by applicable crediting mechanism/standards	Ghana, Singapore
	Apply sustainable development tools developed domestically or jointly by partner countries	Japan, Thailand
Safeguards / no net harm	☐ Refer to domestic regulations relating to environmental impact assessment	Ghana, Thailand
	☐ Must not violate any applicable laws	Most countries
	☐ Incorporate into sustainable development guideline/tools	Thailand
Respect for human	☐ Require specification in the mitigation activity design document	Ghana
rights	☐ Incorporate into sustainable development guideline/tools	Thailand

Ambition in mitigation and adaptation actions

Participating countries are strongly encouraged to commit to contribute resources for adaptation, in particular through contributions to the Adaptation Fund and to cancel ITMOs that are not counted towards any Party's NDC or for other international mitigation purposes, to deliver overall mitigation in global emissions (OMGE) (Decision 2/CMA.3, annex, paras. 37-40).

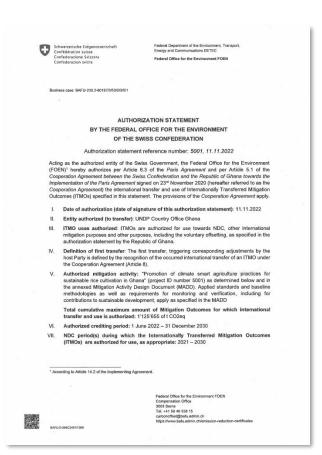
Examples of approaches applied by countries:

Topics	Approaches	Applied by (Example countries)
Adaptation	☐ Voluntary contribution to the Adaptation Fund	Switzerland
contribution	☐ Share of proceeds levied and reserved as a contribution to adaptation in the country	Cambodia, Ghana
	☐ Incorporate into sustainable development guideline/tools	Cambodia
Overall mitigation in	☐ Voluntary cancellation of a percentage of ITMOs acquired	Switzerland
global emissions (OMGE)	☐ Reserve a percentage of issued MOs which may be used for NDC or to contribute to OMGE	Ghana, Vanuatu
	 By applying additionality and conservative baseline to mitigation activities 	Thailand

Examples of ITMOs authorization criteria: Other criteria

Topics	Authorization criteria	Applied by (Example countries)
Mitigation activity MRV	☐ Apply eligible crediting mechanism/standards (Eligibility criteria / list of eligible mechanism/standards provided)	Singapore, Cambodia
standards	 Apply bilateral mechanism/standards jointly developed by participating countries 	Japan
	☐ Apply national/domestic crediting mechanism/standards	Thailand
Authorization	☐ Align with Article 6.4 crediting period	Cambodia
period	☐ Within the NDC time frame	Thailand
Share of mitigation benefits	☐ Share of GHG ERs reserved for domestic use	Cambodia, Ghana, Vanuatu
	☐ Set forth a fair allocation of carbon credits	Thailand

Content of an authorization statement



Example of an authorization statement by Switzerland (5001, 11.11.2022)

An authorization statement or a letter of authorization for ITMOs may include the following elements (non-exhaustive):

Key elements	Example countries
☐ Date of authorization	Most countries
 Designated national authority who provides authorization 	Most countries
☐ Authorization reference number	Ghana, Switzerland
☐ Identification/description of the mitigation activity	Most countries
☐ Authorized entities	Most countries
☐ Authorized use of ITMOs	Most countries
☐ Amount of ITMOs authorized (e.g. total cumulative maximum amount)	Most countries
☐ Authorized crediting period/vintage	Most countries
■ NDC period during which ITMOs are authorized for transfer and use	Ghana, Switzerland, Thailand

...See next slide for further elements...





12th February, 2024

TO: Architecture for REDD+ Transactions (ART), Secretariat at Winrock International

C.C: UNFCCC Secretariat

FROM: UNFCCC Designated National Authority, Co-operative Republic of Guyana

- RE: Host Country Letter of Assurance and Authorisation related to REDD+ and Guyana's Jurisdictional ART TREES Programme – Guyana ART Programme ID: 102
- The Co-operative Republic of Guyana is a party to the Paris Agreement and has acceded to the Paris Agreement as of 20 May 2016 and is committed to its obligations under the Paris Agreement. Guyana wishes to promote sustainable development and ensure environmental integrity and transparency under the Paris Agreement.
- The National Focal Point, UNFCCC (Guyana), Ms. Pradeepa Goberdhan, is the designated national authority (DNA) of the Co-operative Republic of Guyana.
- With regard to the Program Activity, as described in the documentation attached to this letter, we hereby acknowledge that the program may generate Emission Reductions or Removals in the Co-perative Republic of Guyana and that the Architecture for REDD+ Transactions (ART) has issued, or may in the future issue, offset credits (TREES Credits) for these Emission Reductions or Removals during the period of year 2021.
- The Program Activity occurs in the Co-operative Republic of Guyana with the object that the Program Activity generates certain Emission Reductions or Removals that will otherwise fall within the national inventory of the Co-operative Republic of Guyana.

Approval of Program Activity

 The DNA hereby approves the Program Activity for the purposes of issuance of ART Credits for the period of year 2021.

Usage Authorization

 We hereby authorize that the REDD+ program's Emission Reductions or Removals, issued as ART Credits, may be used for one of more of the following purposes specified below:

(i) NDC Purposes, (ii) International Mitigation Purposes, or (iii) Other Purposes.

In respect of the above the following definitions apply:

NDC Purposes means that the ART Credits are authorised by the Host Country for use towards achievement of NDCs by a Paris Agreement Party.

Example of an authorization statement by Guyana (12th February, 2024)

Key elements (cont.)	Example countries
☐ Applied methods of corresponding adjustments	Ghana, Switzerland, Thailand
☐ Definition/specification of first transfer	Ghana, Switzerland, Thailand
☐ Effective date of authorization (when different from date of authorization)	Ghana, Switzerland
☐ Circumstances in which the authorization may be changed/updated	Ghana, Switzerland
☐ Circumstances in which the authorization may become invalid	Ghana, Switzerland
☐ Reference to the corresponding authorization by a participating party	Ghana, Switzerland
☐ Other applicable terms and provisions	Thailand
☐ Public repository of the authorization statement	Thailand



Tracking

Tracking under Article 6.2

Each participating party must "have", or "have access to", a registry for the purpose of tracking under Article 6.2 of the Paris Agreement. The registry records authorization, first transfer, use and other relevant actions relating to ITMOs.

Article 6 Rulebook on tracking

Article 6.2 Guidance (Decision 2/CMA.3, annex, chapter VI)

- Sets out the general requirements on tracking
- Tasks the UNFCCC
 Secretariat to implement an international registry

Guidance on registries (Decision 6/CMA.4, annex I, I)

Specifies:

- Registry form, functions and processes
- Interoperability
- Guidance relating to international registry

Article 6.2 registry functions

The Article 6.2 guidance specifies key requirements for the registry (Decision 2/CMA.3, annex, para. 29), which is further elaborated by the guidance for registries (Decision 6/CMA.4, annex I, chapter I).

Key requirements	Summary
Accounts and access	The registry must have accounts for ITMOs, as necessary. It must also provide access to the country and other entities with authorized access.
Recorded actions	The registry must be able to record the following actions : authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards OIMPs, and voluntary cancellation (including for OMGE, if applicable)
ITMO IDs	Each ITMO must have a unique identifier (ID). The Article 6.2 guidance on registries sets out the minimum composition of the ITMO IDs.
Reporting	The registry must be implemented in a way that enables reporting of annual information consistent with the agreed electronic format (AEF).
Form	The registry's electronic, technical, and administrative arrangements must be based on "software" that enables tracking and recording of ITMOs.

International registry

The UNFCCC Secretariat is tasked with implementing an international registry for use by participating parties that do not have or do not have access to a registry (Decision 2/CMA.3, annex, para. 30).

The international registry comprises an electronic database and other technical and administrative arrangements and support the accounts and perform the operations required for Article 6.2 tracking (Decision 6/CMA.4, annex I, para. 15).

Key Features

- Consist of Party-specific sections and a section for the administrator
- Enable the tracking and recording of information in relation to the ITMO actions
- Maintaining the cross-sectional consistency of data
- Enable the automatic pre-filling of the AEF and of other quantitative information requirements
- Enable the production and dissemination of reports to the designated registry administrators of participating parties
- Make non-confidential information publicly available

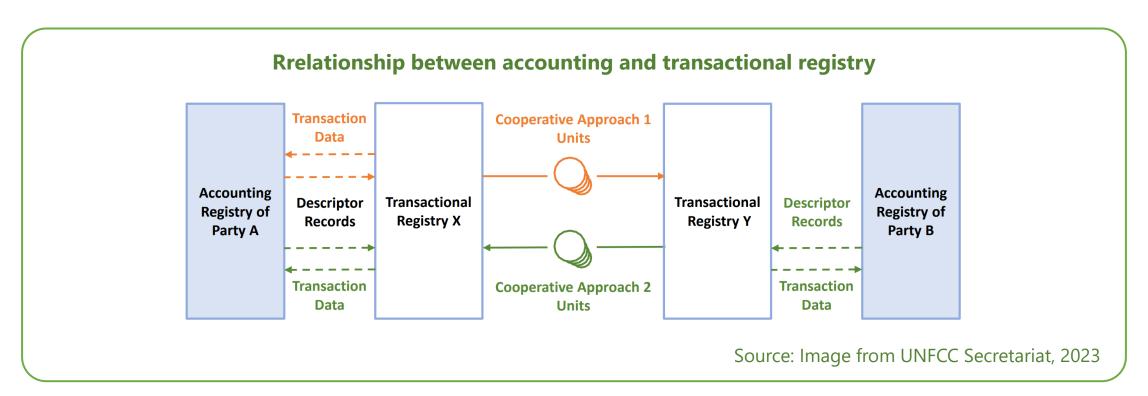
Development timeline

By COP29	Interim solution/ Initial version
Q4 2025	Roll out

Source: UNFCCC Secretariat, 2024

Accounting vs. Transactional Registry

The registry in the context of Article 6.2 must be able to track ITMOs. This function is for **accounting purposes to ensure, among others, avoidance of double counting.** However, a registry may also perform as a transactional registry, allowing transfers of ITMOs from one account to another. For this function, a country may decide to use the same or a different registry to execute transactions, based on their Article 6 implementation approaches.



ITMO IDs

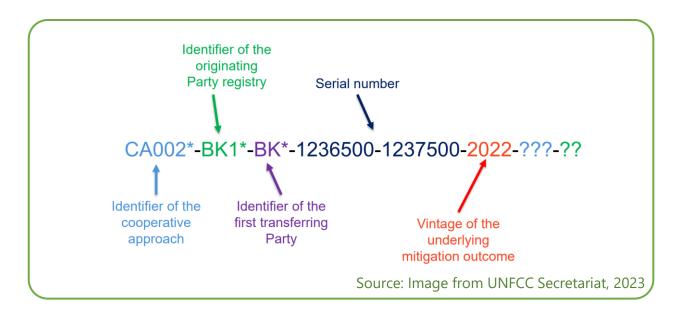
Each ITMO must has a unique identifier (ID). The guidance on registries specifies the minimum components of the ITMO IDs.

Minimum ITMO ID components

- (1) The identifier of the cooperative approach;
- (2) The identifier of the originating party registry;
- (3) The identifier of the first transferring party;
- (4) The serial number;
- (5) The vintage of the underlying mitigation outcome.

Common nomenclatures (Decision 6/CMA.4, para. 17 (j))

The UNFCCC secretariat proposes common nomenclatures on ITMO ID which may take the form as shown below.



Interoperability

Participating countries must implement **appropriate standards and procedures** for interoperability, where applicable (Decision 6/CMA.4, annex I, chapter I.B).

General principles (Decision 6/CMA.4, annex I, chapter I.B)

- To mitigate risks to the consistency of data, including through communication of data about the transfer and reconciliation procedures within and between registries.
- The existence, type, time, or content of the inter-registry transfer should not later be contested.

Participating party may **connect its registry to the international registry** by applying the applicable interoperability arrangements. (Decision 6/CMA.4, annex I, chapter I.C, para. 24)



The UNFCCC Secretariat is tasked with developing interoperability standards and procedures for the international registry in connecting with other registries. (Decision 6/CMA.4, annex I, chapter I.C, para. 17 (d))

First transfer

The action of "first transfer" is recorded by the registry. The Article 6.2 guidance defines "first transfer" (based on the authorized use) as follows (Decision 2/CMA.3, annex, para. 2):

- (a) For a mitigation outcome authorized by a participating party for use towards the achievement of an **NDC**, the first international transfer of the mitigation outcome or;
- (b) For a mitigation outcome authorized by a participating Party for use for **OIMPs**, (1) the authorization, (2) the issuance or (3) the use or cancellation of the mitigation outcome, as specified by the participating party.

The AEF (draft version) requires countries to specify the approach for first transfer as per decision 2/CMA.3, annex, paragraph 2 applied in each case.

Authorization

Use towards an **NDC**

or/and

Use for "Other international mitigation purposes" (OIMPs)

- Use for international mitigation purpose other than NDC
- Use for other purposes as determined by the first transferring participating party

"First transfer"

The first international transfer

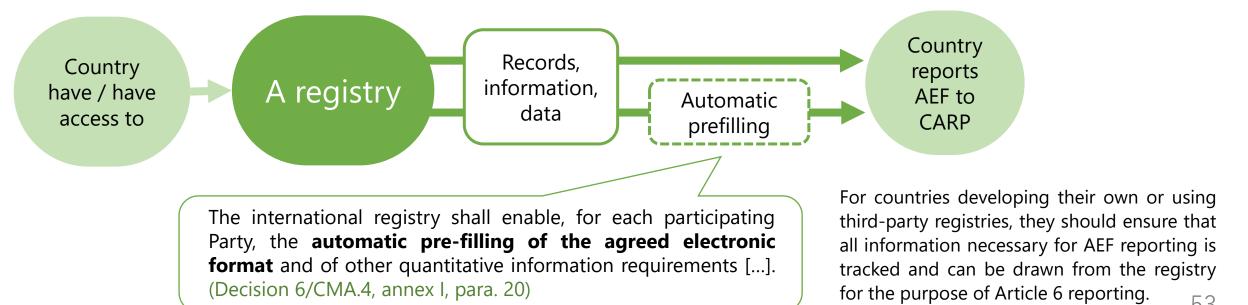
The authorization, the issuance or the use or cancellation, as specified by the participating parties

Linkages of tracking with reporting of annual information

Each Party participating in a cooperative approach [...] shall have, or have access to, a registry for the purpose of tracking that (Decision 6/CMA.4, annex I, para. 1 (e))

• Produces, maintains and compiles records, information and data consistently with the annual information submitted in the agreed electronic format.

Each participating Party shall, in implementing its registry, achieve data integrity in tracking and recording ITMOs and **enable reporting consistent with the agreed electronic format.** (Decision 6/CMA.4, annex I, para. 8)



Article 6.2 infrastructure - Overview

Centralized accounting and reporting platform (CARP)

Implemented by the UNFCCC Secretariat

Form: digital web-based platform

Key functions

- Publishes information submitted by participating parties
- o Provides reporting templates, a submission portal, etc.
- Enables management of common nomenclatures

Article 6 Database

Key functions

- Records and compiles information submitted by participating parties (annual/regular information), incl. corresponding adjustments, emissions balance, and information on ITMOs
- Records ITMO IDs
- Supports Article 6 technical expert review and publishes the review report
- Identifies inconsistencies

International registry

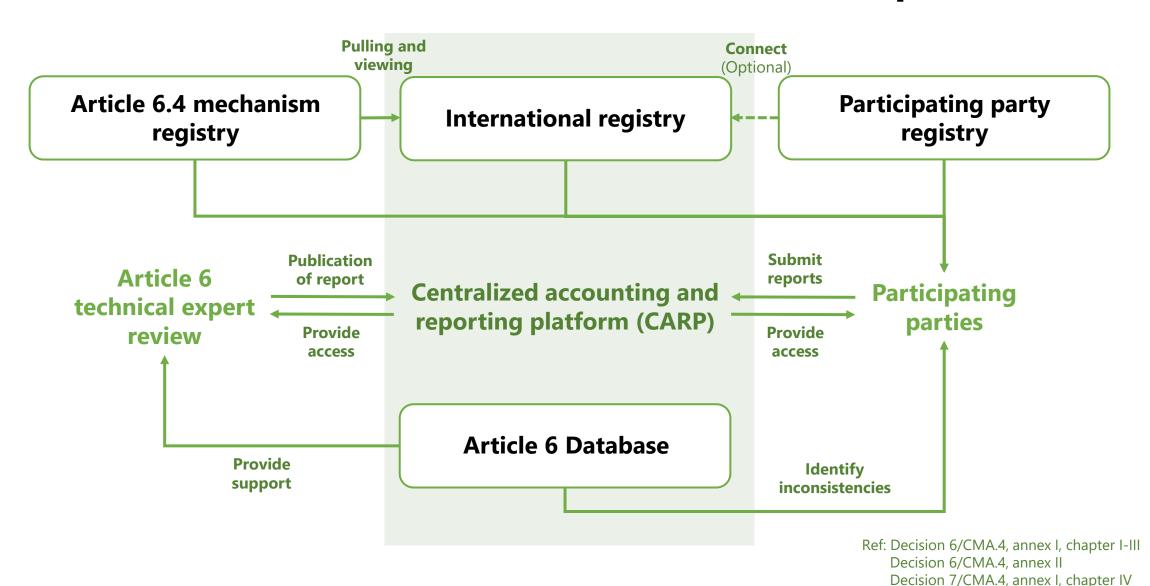
Key functions

- Performs tracking functions
- Has necessary functions as required by the guidance on registries

Ref:

- Decision 2/CMA.3, annex, chapter VI
- Decision 6/CMA.4, annex I

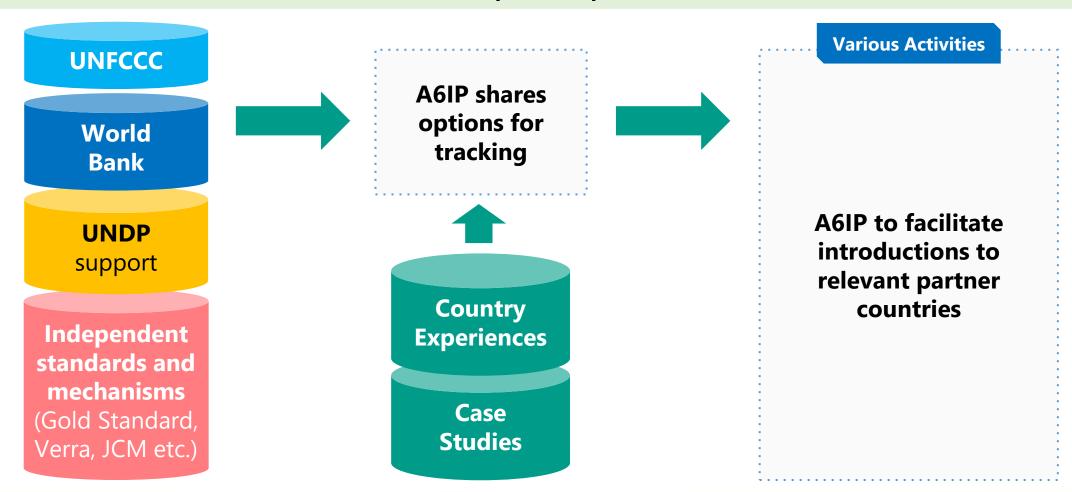
Article 6 infrastructure - Relationship



A6IP Capacity Support for Tracking

A6IP CB framework for tracking presented at Joint 3rd Working Group (March 14th, 2024)

A6IP will compile information on different options available for tracking and introduce relevant options to partner countries.





Key consideration on tracking

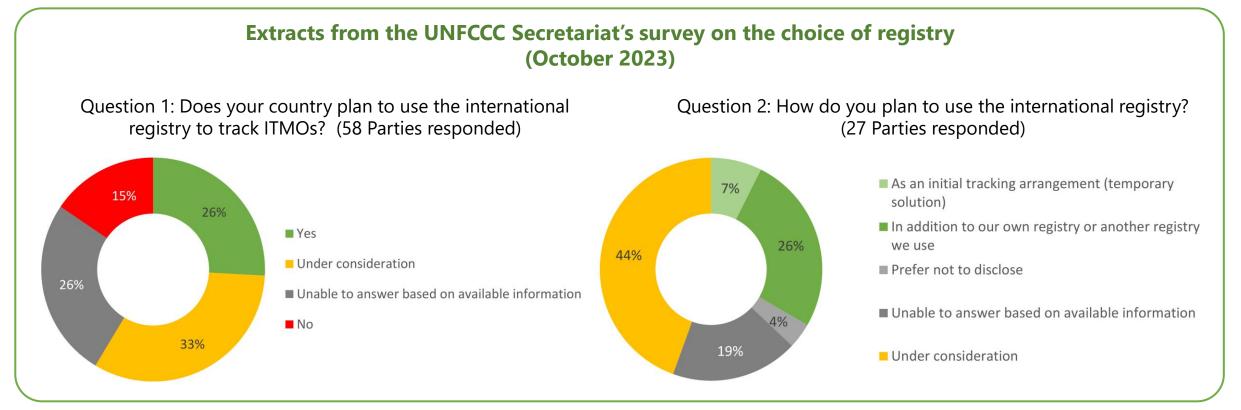
	Description	Key consideration
1	Determine the functionality needs for tracking in the country	 What are the requirements for Article 6.2 tracking In addition to the mandatory functions of 6.2, what other functions the country may want the registry to perform
2	Consider possible options for tracking	 Review the existing tracking arrangements/systems currently in place in the country that could be relevant to 6.2 tracking - determine how they may support or be improved to serve the functions required by Article 6.2 Explore different choices of registry – how to make informed decision?
3	Determine interoperability methods and first transfer process	 ☐ How will the registry connect with other registries of cooperating countries ☐ How will the first transfer be executed and recorded in the registry
4	Reporting on tracking (Link with reporting tools)	☐ How to report information collected by the registry

Optional

5	Consider registry connection	☐ Connect the registry with international registry/Article 6.4 registry
	with other infrastructure	(Subject to further discussion at UNFCCC)
	(Optional)	☐ Connect the registry with open database (such as CAD Trust) for enhanced transparency

Country's preference for tracking arrangements

While many countries are still considering the choice of registry, a number of countries intend to use the international registry to track ITMOs, from among which many plan to use the international registry in addition to their own registry or another registry they currently use.



Considering possible options for registry

		Registry options	
	Participating	party registry	International registry
	Develop own registry	Use other available registry	(Operated by UNFCCC secretariat)
Countries	 Countries having in place domestic registry which serves similar functions 	 Countries receiving support from development partners who provide such service 	 Countries intending to use the registry for the sole purpose of Article 6
suitable for this option	 Countries intending to implement domestic CPIs which require a national registry Countries having technical capacity and resources for operating its own system 	 Countries wishing to use registry for multiple functions in addition to Article 6 without developing own registry (subject to the functions provide by each registry) Countries wishing to reduce cost in operating the system by themselves 	 Countries with limited capacity and resources Countries intending to use international registry in addition to their own registries to facilitate Article 6 implementation

Considering possible options for registry

Key considerations	Registry options					
	Participating	International registry				
	Develop own registry	Use other available registry	(Operated by UNFCCC secretariat)			
Support for domestic CPIs	 Countries can design its registry to serve various national policies and schemes 	 Varied, depending on each registry 	 Limited (may not support tracking of unauthorized mitigation outcomes) 			
Customization	 Countries have full control over the registry design 	 Varied, depending on each registry 	 Limited (while a party-specific section is provided) 			
Article 6 reporting	 Countries need to ensure that the registry supports Article 6 reporting 	 Countries need to understand how the information is collected from the registry 	 Enable auto-prefilling of relevant information 			
Support/capacity	 Require technical capacity and resources to operate 	 Require understanding of how to operate and services/assistance provided 	 Assistance is provided by the UNFCCC secretariat 			
Availability	n/a	Few options available, in consultation with development partners/service providers	Accessible for all parties to the Paris AgreementInitial release: Sept 2024			
Fee	n/a	Subject to agreement with providers	(Under discussion)			

Registry function checklist (1)

The following functions are required as per the guidance on registries (Decision 6/CMA.4, annex I, chapter I).

Functions		Description	Country's need
	Assign ITMO IDs	Each ITMO must have a unique identifier (ID). The ITMO IDs may be based on common nomenclatures, subject to future CMA decision.	✓
	Record authorization	Authorization status and information associated with the ITMOs must be recorded in the registry.	✓
Mandatory	Track ITMOs data: Record actions	The registry must be able to record actions, at a minimum as referred to in Decision 2/CMA.3, annex, chapter VI.A.	✓
	Accounts for ITMOs	The registry must have accounts for ITMOs, as necessary. These may include holding accounts, accounts for use towards NDCs, voluntary cancellation account, administrative accounts, etc.	✓

Registry function checklist (2)

Countries may consider additional functions that the registry should be able to perform based on their needs and national context.

Functions		Description	Country's need
	Support domestic carbon pricing instruments (CPIs)	Some countries may have or be planning to have domestic carbon pricing scheme(s) which may require a registry to issue/record/track emissions permits or carbon units. Integration of this registry with the Article 6.2 functions may be helpful to optimize country's resources.	
	Enable transactions	The registry may perform as a transactional registry, allowing the account holders to request/execute transactions in the registry.	
Optional	Information disclosure	The registry may promote transparency through disclosing non- confidential information on its public interface, such as, issuance and cancellation records, list of account names, and other useful statistics.	
	Report auto- prefilling	The registry may facilitate the using country to formulate necessary reports in accordance with their templates. This function is provided by the international registry for the purpose of AEF reporting.	

Country's selection of registry for ITMOs tracking

Order: Alphabetical

Name of country	Registry for tracking ITMOs	Participating	party registry	International	Link
		Develop own registry	Use other available registry	registry	
Bhutan ²	National Carbon Registry		✓		Click here
Ghana ¹	Ghana Carbon Registry (GCR)	✓			Click here
Guyana ¹	Under development (Currently use ART TREES Registry)	Under development	✓		
Japan ²	JCM Registry	✓			Click here
Suriname ¹	National Registry / International Registry for REDD+ Results	✓			Click here
Switzerland ¹	Swiss Emissions Trading Registry	✓			Click here
Thailand ¹	Thailand Carbon Credit Registry	✓			Click here
Vanuatu ¹	National Carbon Registry	✓			Click here

References:

1 confirmed in the submitted initial report

2 from official documents

Note: The above list in an initial list. A6IP Center will collect and regularly update the list to include additional cases.

Example list of other available registries (1):

Registries provided by development partners and countries

Registry name	Provider	Brief description	Link for further information
National Core Carbon Registry and National Enhanced Carbon Registry	World Bank	Build on open-source software, provides national-level registry infrastructure enabling member countries to issue digital carbon assets.	<u>Click here</u>
National Carbon Credit Registry	UNDP	A digital public good (DPG), enables carbon credit tracking transactions from mitigation activities. Any country can customize and deploy a local version of the registry.	<u>Click here</u>
JCM Registry	Ministry of Environment, Japan	Partner countries may request the use of the JCM Registry for Article 6.2 cooperation.	<u>Click here</u>

Example list of other available registries (2):

Independent crediting standards registries

Registry name	Provider	Notes	Link for further information
Verra Registry	Verified Carbon Standard (VCS)	- Eligible under Singapore's ICCs*	Click here
Impact Registry	Gold Standard	- Eligible under Singapore's ICCs	Click here
ART Registry	Architecture for REDD+ Transactions	Use by a country (Guyana) for Article 6.2Eligible under Singapore's ICCs	<u>Click here</u>
GCC Projects Portal	Global Carbon Council (GCC)	- Eligible under Singapore's ICCs	Click here
American Carbon Registry	Winrock International	- Eligible under Singapore's ICCs	Click here

^{*} ICC – Singapore's International Carbon Credit (ICC) Framework (<u>Further information</u>)



Reporting

Reporting under Article 6.2

Parties participating in a cooperative approach are required to report relevant information relating to their participation and the cooperative approach for the purpose of transparency, robust accounting, and to ensure consistency with the Article 6.2 guidance.

Article 6 Rulebook on reporting

Decision 2/CMA.3, annex, chapter IV

Sets out 3 types of reporting (initial report, annual information, and regular information), reporting deadline and frequency, reporting forms, as well as the reporting elements

Decision 6/CMA.4, annexes V, VI, VII

Adopted the reporting outlines for the initial report and Annex IV to BTR (regular information), as well as referring to the draft agreed electronic format (AEF) (annual information) for testing



Summary of reporting under Article 6.2

When a party decides to participate in a cooperative approach

Initial report

What: Fulfilment of participation responsibilities and other information relating to NDC, accounting approach, and cooperative approaches

When: No later than ITMO authorization (or in conjunction with next due BTR)

How:

Decision 6/CMA.4, annex V



Initial report templateAvailable on interim CARP

Where: CARP (Interim solution)

When a party implements the cooperative approach (Authorize, first transfer, use, ...)

Annual information

What: Quantitative ITMOs information, including authorization, transfer, use, cancellation, etc. and the accompanying information

When: By 15 April every year

How:



Decision 6/CMA.4, annex VII

Where: CARP (Interim solution)

* For recording in Article 6 Database

Regular information

What: Both quantitative and qualitative information relating to Article 6.2 implementation, including corresponding adjustments

When: By **31 December** every 2 years as part of the BTR

How:

○— BTR Annex IV outline

Decision 6/CMA.4, annex VI

Structured summary *
Decision 5/CMA.3, annex II,
table 4 (CTF)

Where: Integrated submission portal (CARP & Article 13)

Article 6.2 initial report

* For each further cooperative approach, each participating party shall submit an updated IR. For updated IR, only Section IV. needs to be filled.

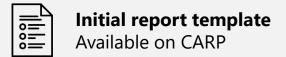
What?

I. Participation responsibilities	II. Description of the Party's NDC	III. [Accounting information]	IV. Cooperative approach*
Party to PA	Target and description	ITMO metrics	A copy of authorization
Communicate NDC	Target year/period	CA method	Description, duration, parties
Authorization arrangements	Reference point/level/baseline	Quantification of NDC	Expected mitigation
Tracking arrangements	Time frame		Authorized entities
Most recent GHG inventory	Scope and coverage		Environmental integrity
NDC, LT-LEDS, Paris goals	Intention to use Article 6		Additional description
	Any updates/clarifications		

When?

No later than authorization of ITMOs or where practical in conjunction with the next due BTR

How / Where?







Article 6.2 initial report template

(available on CARP)

Outline for the initial report and updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial

[English only]

Party	Party name
NDC period	33307 - 33307
Report number for the NDC period*	1
Report type	
Initial report	
Updated initial report	
Updated initial report number	1
Version ⁵	1.0
Date	dd/mm/yyyy
Name(s) of cooperative approach(es) included in this	Cooperative approach 1
report	Cooperative approach 2
(Include a line for each additional cooperative approach)	

Note: For updated initial report fill in only section IV. Information on each cooperative approach (para. 18(g-i), para 19 of the annex to decision 2/CMA.3).

I. Participation responsibilities (para. 18(a)

١.	Information or	n how the I	Party ensur	es that it i	s a Party	to the	Paris .	Agreement	(para.	18(a),
a	ra. 4(a), to be u	pdated by	para. 21(a))						

B. Information on how the Party ensures that it has prepared, communicated and is maintaining	

an NDC in accordance with Article 4, paragraph 2 (para. 18(a), para. 4(b), to be updated by para. 21(a))

C. Information on how the Party ensures it has arrangements in place for authorizing the use of
ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3 (para. 18(a), para.
4(a) to be undeted by nere 21(a))

4(c), to be updated by para. 21(a))

1	many and a second	 0.000	 4 4 4 4	0.0	

Initial report template contains of 4 sections

The **first section** includes the participating country's fulfilment of the participation responsibilities.

The **second section** provides information about the NDC (target, types of targets, reference levels, scope, and coverage, implementation periods, intention to use cooperative approaches, etc).

The **third section** concerns the accounting of ITMOs and accounting of the NDC, containing information on ITMO metrics, the method for applying corresponding adjustments, and the method for quantification of the NDC.

The **fourth section** includes information specific to the cooperative approach, such as:

- Authorization by the participating country
- Description and duration of the cooperative approach
- Countries involved in the cooperative approach
- Authorized entities
- Description of how the cooperative approach ensures environmental integrity

Ascribe sequential number for updated initial reports. The number '1' is reserved for the initial report

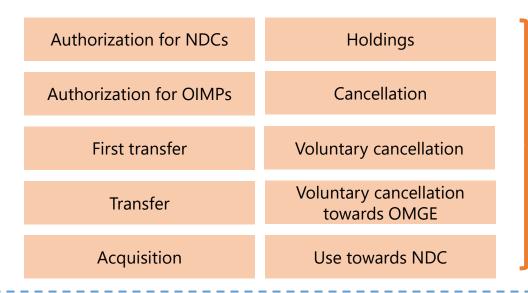
Ascribe version number as follows: decimal increase for minor revisions (typos, corrections) and digit increase for

pdated initial reports referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report) The list of the acronyms and abbreviations used in this template are available in decision 6/CMA.4:

References to chapters and paragraphs in the outline are to chapters and paragraphs in the annex to lecision 2/CMA.3, unless stated otherwise. "Article" refers to an Article of the Paris Agreement.

Annual information

What?



Accompanying information

The cooperative approach Sector(s) and activity type(s)

The OIMPs authorized by the Party V

Vintage year

The first transferring Party

The unique identifiers

The using participating Party or authorized entity or entities, as soon as known

When?

No later than 15 April of the following year

How / Where?



Draft agreed electronic format (AEF)

Decision 6/CMA.4, annex VII

F D

For record in Article 6
Database (in development)

Regular information

Participation in cooperative approach	Information on each cooperative approach		
Participation responsibilities	Contribute to mitigation/NDC		
Updates to previously provided information	Environmental integrity		
Information on authorizations	Measurement of mitigation outcomes		
Information on CAs	Avoid negative impacts, Human rights		
Information on avoiding double use	Sustainable development		
	Safeguards and limits		
	Adaptation contribution / OMGE		

Annual information

A list of information, such as

- Annual emissions and removals covered by NDC
- Annual quantity of ITMOs
- Total quantitative CAs
- An annual emissions balance
- Other information in 6/CMA.3, annex, para. 23

When?

What?

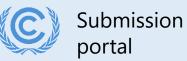
No later than 31 December of the relevant year (2024, 2026, 2028, ...)

How / Where?

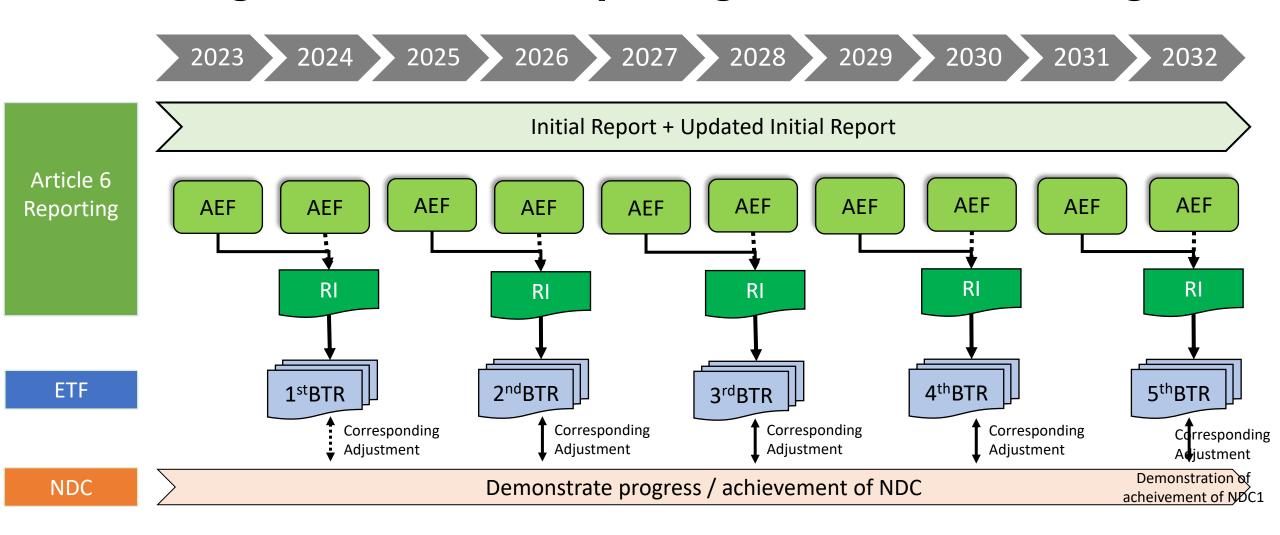








Linkages of Article 6.2 reporting with NDC accounting



AEF: Agreed Electronic Format BTR: Biennial Transparency Report ETF: Enhanced Transparency Framework

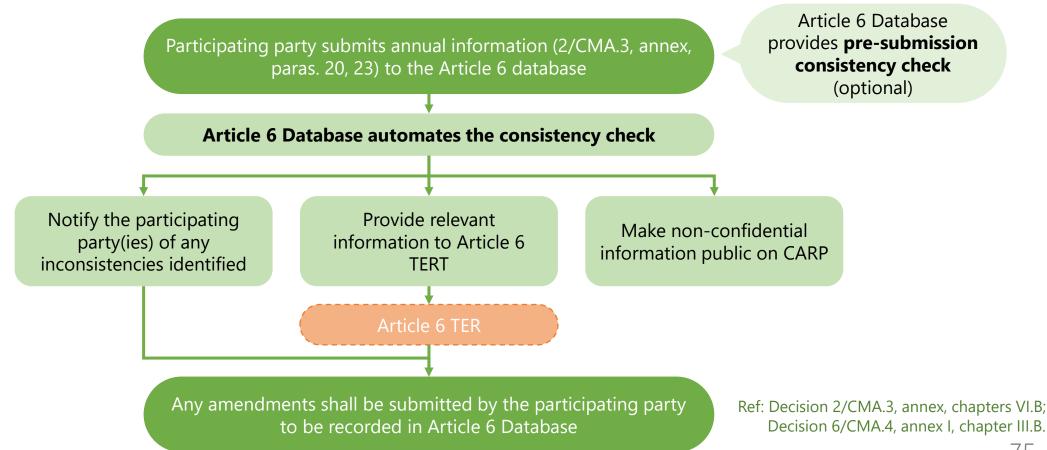
Consistency check and Review

Article 6 reports will undergo a consistency check (by the secretariat) and/or a review (by Article 6 technical expert review team (A6TERT)) depending on the type of reports.

Type of	reports	Consistency check (Quantitative information)	Article 6 technical expert review (A6TER)
Initial report / upda	ted initial report		✓
Annual information		✓	Consideration of the consistency check results
Regular	Annex 4 to BTR		✓
information	Structured summary	✓	Consideration of the consistency check results

Consistency check

"Consistency check" is a process performed by the UNFCCC Secretariat through the Article 6 Database by checking the consistency (accuracy and completeness) of information reported by a participating party for recording in the Article 6 database with the requirements of the Article 6.2 guidance and across the participating parties in a cooperative approach.



Article 6 technical expert review

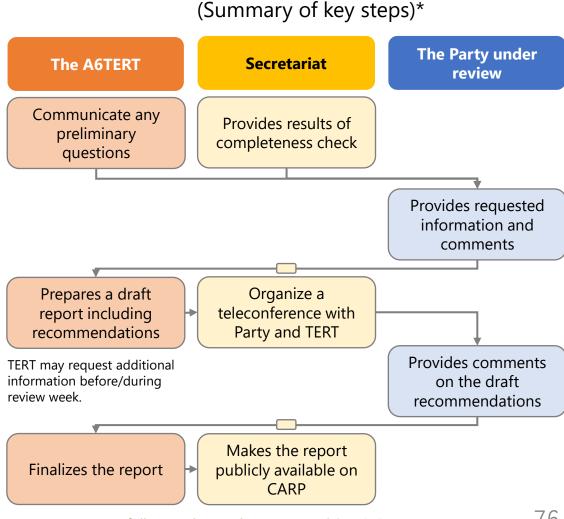
Article 6 technical expert review (A6TER) reviews the consistency of information submitted in the Article 6.2 initial reports, updated initial reports, regular information, and considers the results of the consistency check.

What Article 6 TER checks:

- ✓ The information is complete, transparency and consistent with Article 6.2 guidance and relevant decisions
- ✓ The information is consistent across the different reporting requirements
- ✓ The information is consistent across all Parties participating in the same cooperative approach

Format: Centralized review or desk review

Timing and sequencing: Generally, following a calendar period (a three-month or a six-month calendar period) in which the reports are submitted. (Further details in Decision 6/CMA.4, annex II, chapter IV)



Article 6 Technical Expert Review Procedures

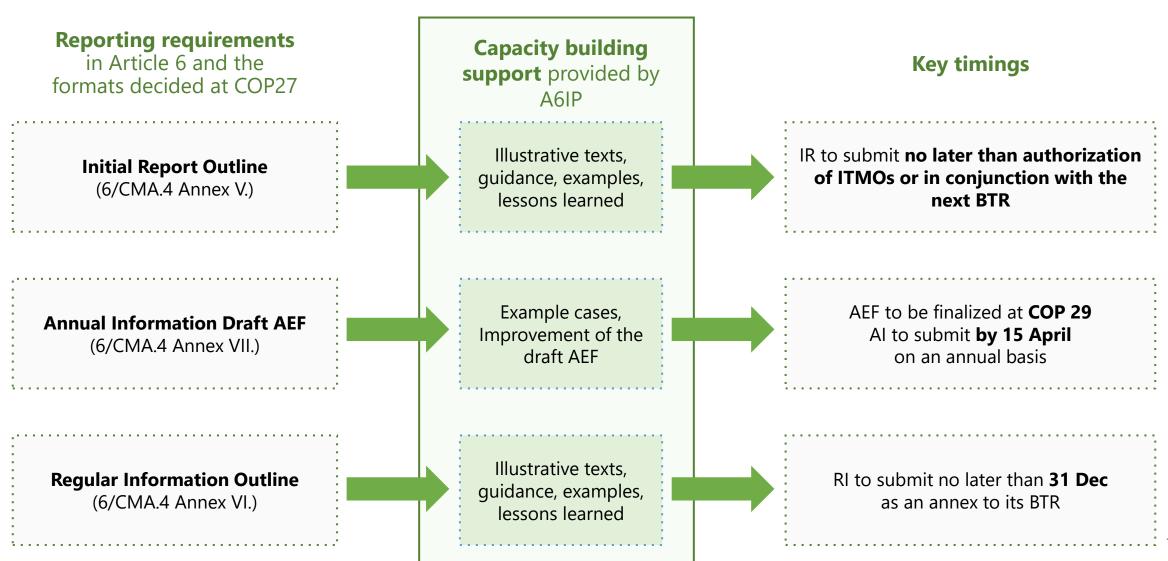
Results from Article 6 technical expert review

The Article 6 technical expert review will:

- Specify **recommended actions** including recommendations on how to improve consistency with the Article 6 requirements and address identified inconsistencies in quantitative information
- May **identify capacity-building needs and areas for improvement** (in consultation with the participating party)

A6IP Capacity Support for Reporting

A6IP CB framework for reporting presented at Joint 3rd Working Group (March 14th, 2024)





Key consideration on reporting

	Description	Key consideration
1	Review Article 6 reporting elements	☐ What are required to report under Article 6 and when to report? Familiarize with reporting templates and outlines
2	Identify sources of reporting information	☐ Identifying where to collect information required for reporting – What information is readily available from what sources and what information would require additional policy consideration/decision-making
3	Set up national arrangement and process for Article 6 reporting	☐ How should the national arrangement and process for Article 6 reporting look like?
4	Drafting process	☐ How to draft the reports – example texts and guiding notes
5.1	Consistency check	 ☐ How to ensure consistency of reported information ☐ How to respond to inconsistency, if found
5.2	Participate in the review process and consider A6TER report for continuous improvement	 □ What is the A6TER review procedure (flow) □ How should countries participate in the review of its IR (Role of party under review) (6/CMA.4, annex II, VIII)

Preparation of 6.2 initial report (Sample flow)



- Familiarize with the IR template provided by the Secretariat (Available on CARP (interim solution))
- Consider whether all information to be reported is readily available? and where/the sources
- Are there any information that would require additional consideration/ decision?
- Identify/set up the national procedure to formulate and approve IR
- Set the timeline, ensuring alignment with the timing of submission
- Engage with relevant agencies to collect information and draft the report
- Ensure consistency with partner country's reporting through coordination (where relevant)
- NFP or responsible agency submits IR to the UNFCCC secretariat for publication on CARP (interim solution)



Corresponding adjustments

Concepts of corresponding adjustments (CAs)

WHY	To avoid double counting (Use towards NDC and OIMPs)		
HOW Article 6.2 guidance provides description on how to apply CAs, including applicable CA methods for each NDC target type			
WHEN	CAs are reported as part of the regular information (every 2 years)		
WHERE	CAs are shown in the structured summary as part of the BTR		

Key principles

Each participating Party shall apply corresponding adjustments in a manner that:

- Ensures transparency, accuracy, completeness, comparability and consistency (TACCC);
- Participation in cooperative approaches does not lead to a net increase in emissions across
 participating parties within and between NDC implementation periods;
- Corresponding adjustments shall be representative and consistent with the participating Party's NDC implementation and achievement.

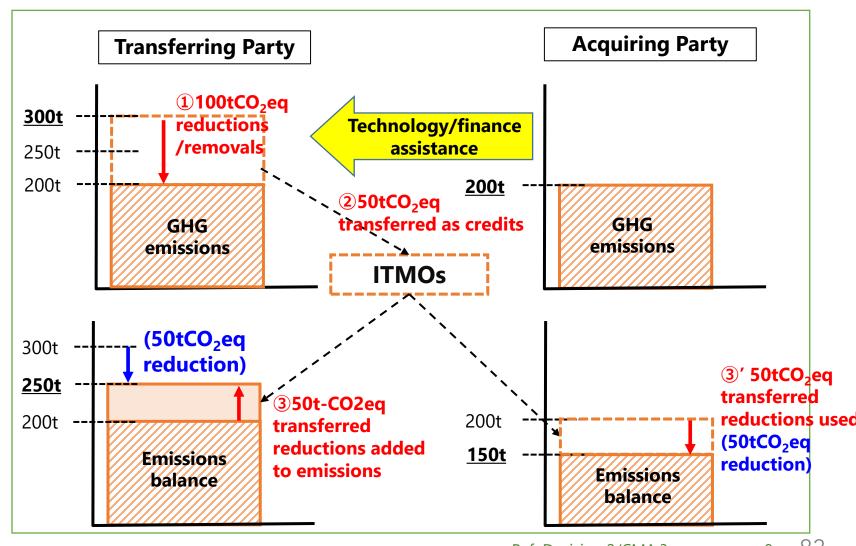
How to apply corresponding adjustments

For ITMOs measured in tCO₂eq:

CAs are applied to the **emissions** and removals covered by the NDC, resulting in an emissions balance.

CAs are applied by:

- Transferring party: adding the quantity of ITMOs authorized and first transferred, for the calendar year in which the mitigation outcomes occurred.
- Acquiring party: subtracting the quantity of ITMOs used, for the calendar year in which the mitigation outcomes are used.



Corresponding adjustment methods

NDC	Single	-year NDC	Multi-year NDC
Methods	Providing an indicative multi-year emissions trajectory, trajectories or budget that is consistent with NDC implementation	Calculating the average annual amount of ITMOs first transferred/used over the NDC period (Cumulative ITMOs divided by the number of elapsed years)	Calculating a multi-year emissions trajectory, trajectories or budget for its NDC implementation period that is consistent with the NDC
CA amount / timing	Annually apply CAs for the total amount of ITMOs first transferred/used for each year	Apply indicative CAs equal to this average amount for each year and apply CAs equal to this average amount in the NDC year	Annually apply CAs for the total amount of ITMOs first transferred/used each year and cumulatively at the end of the NDC implementation period
lmage	[Using Party] CA for amount of ITMOs used for each year 2021 2030 ITMOs 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	[Using Party] CA for average amount of ITMOs used over the period 2021 2030 ITMOS FTed /used 2021 2030 [First Transferring Party] CA for average amount of ITMOs first transferred over the period 2021 2030 ITMOS ITMOS first transferred over the period ITMOS first transferred over the period 2021 2030	

Country's selection of CA methods

NDC target type	Single-ye	Multi-year NDC			
CA methods	Indicative multi-year emissions trajectory method	Averaging method	Emissions trajectory method		
Country	Switzerland ¹	Ghana ¹ Japan ² Thailand ¹ Vanuatu ¹	Switzerland ¹		

References:

1 confirmed in the submitted initial report

2 from official documents

Reporting CAs in the structured summary

CAs are shown in the structured summary of the BTR using a common tabular format (CTF) provided under the Enhanced Transparency Framework (ETF).

	Unit, as	, , , , , , , , , , , , , , , , , , , ,	years, as including d		<i>T</i>	Progress made towards the NDC, as determined by comparing the most recent information for each selected indicator, including for the end year or end of period, with the reference			
•••			Year 1	Year 2	 	End year	Target level ^b	Target year or period	point(s), level(s), baseline(s), base year(s) or starting point(s) (paras. 69–70 of the MPGs)
Each Party that participates in cooperative approaches that nvolve the use of ITMOs towards an NDC under Article 4 of the Paris Agreement, or authorizes the use of mitigation outcomes for nternational mitigation purposes other than achievement of the NDC, shall provide (para. 77(d) of the MPGs):									
Total quantitative corresponding adjustments used to calculate									
Total quantitative corresponding adjustments used to calculate the emissions balance referred to in para. 23(k)(i), annex to decision 2/CMA.3, in accordance with the Party's method for applying corresponding adjustments consistent with section III.B, annex to decision 2/CMA.3 (Application of corresponding adjustments) (para. 23(g), annex to decision 2/CMA.3)									
The cumulative information in respect of the annual information in para. 23(f), annex to decision 2/CMA.3, as applicable (para. 23(h), annex to decision 2/CMA.3)									
For metrics in tonnes of CO ₂ eq. or non-GHG, an annual emissions balance consistent with chapter III.B (Application of corresponding adjustment), annex, decision 2/CMA.3 (para.									

Ref: Decision 5/CMA.3, annex II, table 40

Example of CA reporting in the structured summary

Example 1: Single-year NDC country applying an average method (ITMOs in tCO₂eq)

	ND	C implementation per	iod
	Year 1	Year 2	Year 3
Annual emissions and removals covered by NDC	X	Υ	Z
Annual quantity of ITMOs first transferred	100	150	200
Annual quantity of ITMOs used	0	0	0
Net annual quantity of ITMOs	100 (100-0)	150 (150-0)	200 (200-0)
The cumulative amount of ITMOs, divided by the number of elapsed years in the NDC implementation period	100 [100/1]	125 [(100+150)/2]	150 [(100+150+200)/3]
Total quantitative corresponding adjustments	100	125	150
An annual emissions balance	X+100 ~	Y+125	Z+150

Remarks: This table is simplified for the purpose of building understanding of key reporting information. For the complete structured summary, please see Decision 5/CMA.3, annex II.

Example of CA reporting in the structured summary

Example 2: Single-year NDC country applying a multi-year trajectory method (ITMOs in tCO₂eq)

	NDC implementation period							
	Year 1	Year 2	Year 3					
An indicative multi-year emissions trajectory	To specify	To specify	To specify					
Annual emissions and removals covered by NDC	X	Υ	Z					
Annual quantity of ITMOs first transferred	100	150	200					
Annual quantity of ITMOs used	0	0	0					
Net annual quantity of ITMOs	100 (100-0)	150 (150-0)	200 (200-0)					
Total quantitative corresponding adjustments	100	150	200					
An annual emissions balance	X+100	Y+150	Z+200					

Remarks: This table is simplified for the purpose of building understanding of key reporting information. For the complete structured summary, please see Decision 5/CMA.3, annex II.

Further elaboration on CAs

CMA 4 requests SBSTA to develop recommendations for consideration and adoption by CMA6 (November 2024) on elaboration of further guidance relating to CAs.

16. Requests the Subsidiary Body for Scientific and Technological Advice to continue its work to develop, on the basis of the guidance in the annex to decision 2/CMA.3 and the further guidance in the annexes to this decision, taking into account the submissions referred to in paragraph 15 above:

...

- (b) Recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024) on:
 - (i) The elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year nationally determined contributions, in a manner that ensures the avoidance of double counting, on:
 - a. Methods for establishing an indicative trajectory, trajectories or budget and for averaging, including with respect to relevant indicators, and for calculating cumulative emissions by sources and removals by sinks;
 - b. Methods for demonstrating the representativeness of averaging for corresponding adjustments by quantifying how much the yearly transaction volume differs from the average for the period;



Article 6 Library

Publicly available Article 6 knowledge products and tools

Compilation of publications relating to Article 6 and relevant documents can be found on **A6IP Article 6 Online Library** (Access link).

Examples of publicly accessible knowledge products and tools:

Titles	Developed by	General description	Format	Publication/ launch date	Access
Operationalizing Article 6.2 of the Paris Agreement: Achieving ambitious climate action through cooperative approaches	UNDP, UNFCCC, SECO, and partners	Online course on introduction to Article 6, in particular Article 6.2, aimed for government officials, policymakers, technical staff in charge of the design and implementation of processes and procedures	Online self- paced course	December 2022	Access link
Article 6 Readiness Toolkit	NDC Partnership and Perspectives Climate Research	The toolkit is designed to support country to identify country-specific Article 6 readiness needs and priorities in order to better understand how they can be addressed.	Excel-based tool	April 2024	Access link
SPAR6C Toolbox	GGGI and partners	Guidebooks on Article 6 in 6 areas: (1) ambition and transformational change, (2) host country strategy, (3) host country institutional framework, (4) domestic CPIs, (5) activity development, and (6) financing and contracting	Guidebooks	Ongoing	Access link

Useful Article 6 Databases (1)

	Managed			Data pre	sentatio	n	Update	_	
Titles	Titles by Data compiled/Information provide		Мар	Graphs	Statis- tics	Listing	frequency	Form	Access
Intention to use Artic	cle 6								
NDC Synthesis Report	UNFCCC Secretariat	Synthesized information from the latest available NDCs (Note: includes share of Parties indicating in NDCs the intention to use or possibility of using specific scopes of voluntary cooperation)		0	0		Annually	Report	Access link (Link to 2023 report)
Article 6 cooperation	and projects								
Article 6 Pipeline	UNEP CCC	 Bilateral agreements between countries on Article 6 Pilot projects 		0	0		Regularly	Webpage	Access link
Visualizing Article 6 Implementation	IETA	 International cooperative approaches tracking map and detailed landscape Article 6 pilot projects worldwide 	0	0			Regularly	Webpage	Access link
State and Trends of Carbon Pricing	World Bank	Summarized data and analysis on carbon pricing, including carbon crediting (Note: includes relevant information, such as a figure on bilateral Article 6.2 agreements and a map of national and subnational crediting mechanisms)	0	0			Annually	Report	Access link
Tracking									
CAD Trust Data Dashboard	CAD Trust (IETA)	Project and unit data from connected registries (includes Corresponding Adjustment Declaration and Status of units)	0	0	0	0	Real-time	Metadata system/ Webpage	Access link

Useful Article 6 Databases (2)

Titles	Managed	anaged Data compiled (Information muscided		Data presentation				Гожно	A
lities	by	Data compiled/Information provided	Мар	Graphs	Statis- tics	Listing	frequency	Form	Access
Article 6.2 cooperation	ve approaches	•							
Compensation projects abroad (Switzerland)	FOEN/Switz erland	List of registered compensation projects under Article 6.2 cooperation with Switzerland				0	Regularly	Webpage	Access link
Joint Crediting Mechanism (JCM)	MEITIJ/MOE J/Japan	Database of Joint Crediting Mechanism (JCM) cooperation and projects				0	Regularly	Webpage	Access link
Singapore's Article 6 Cooperation	NCCS/MTI/ MSE/NEA	Project register, Article 6 implementation agreements and other relevant information on Singapore's Article 6 cooperation				0	Regularly	Webpage	Access link
Partnership under the Paris Agreement (Sweden)	Swedish Energy Agency	Information on bilateral agreements for cooperation under Article 6 of the Paris Agreement				0	Regularly	Webpage	Access link

Useful Article 6 Databases (3)

Titles	Managed by	Data compiled/information provided		Data pres	sentatio	n	Update	_	
			Мар	Graphs	Statis- tics	Listing	frequency	Form	Access
Article 6.4									
DNA for Article 6.4 Mechanism	UNFCCC Secretariat	List of Designated National Authority (DNA) for Article 6.4 Mechanism			0	0	Regularly	Webpage	Access link
CDM projects approved by Host Parties for transition to Article 6.4	UNFCCC Secretariat	List of CDM projects approved by Host Parties for transition to Article 6.4			0	0	Completed	Webpage	Access link

Relevant databases provided by IGES

Titles	Managed by	Data compiled/Information provided	Data presentation				Update	_	
			Мар	Graphs	Statis- tics	Listing	frequency	Form	Access
IGES Databases									
IGES NDC Database	IGES	Data on NDC submitted and analytic (includes use of market mechanism)		0	0	0	Regularly	Excel sheet	Access link
IGES CDM Project Database	IGES	Data on CDM projects, with categorization and data analysis		0	0	0	Regularly	Excel sheet	Access link
IGES CDM Monitoring and Issuance Database	IGES	Data on CDM projects' monitoring and issuance status		0	0	0	Regularly	Excel sheet	Access link
IGES Programme of Activities Database	IGES	Data on CDM Programme of Activities, with categorization and data analysis		0	0	0	Regularly	Excel sheet	Access link
IGES JCM Database	IGES	Data on Joint Crediting Mechanism (JCM) methodologies, registered projects and financed projects		0	0	0	Regularly	Excel sheet	Access link
IGES List of Grid Emission Factors	IGES	List of grid emission factors from CDM projects and those published by host country governments		0	0	0	Regularly	Excel sheet	Access link

Any questions

Contact: a6 partnership@iges.or.jp Website: <a href="mailto:https://a6partnership.org



