



Parliamentary Guide to Article 6 and Carbon Markets



G L O B E

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Foreword

GLOBE Legislators owes its origins to the United Nations Conference on Environment and Development (UNCED), more commonly known as the Rio Earth Summit, hosted by Brazil in the city of Rio de Janeiro in 1992. GLOBE was formed ahead of the Rio Earth Summit to ensure that parliamentarians had a platform to engage with the intergovernmental negotiations that led to the creation of the international environmental regime as we know it. UNCED produced landmark agreements including Agenda 21, the Rio Declaration, and the two Conventions on Climate Change and Biodiversity.

Since the earliest Conference of Parties (COPs) of the United Nations Framework Convention on Climate Change, GLOBE has been bringing the world's legislators together in a cross-party and non-partisan manner to help inform and shape dialogue and action on climate change. Crucially, GLOBE legislators have then returned to their parliaments motivated to legislate agreements reached at the international level into national laws, pass budgets and oversee implementation.

As of COP26 in 2021, GLOBE has served as the UNFCCC Focal Point for the Informal Parliamentary Group, creating a systematic platform for input into the UNFCCC process and the annual COPs by parliamentarians, parliamentary organisations and networks across the world on an independent, non-partisan basis.

COP30 - the first UNFCCC COP hosted by Brazil – in November 2025 in Belem, is a very special moment for GLOBE given our origins at the Rio Earth Summit. It is fitting, therefore, that GLOBE is hosting a Pre-COP30 Parliamentary Forum at the inaugural Rio Climate Action Week in August 2024, in partnership with the Camara Rio, the legislative chamber of the city of Rio de Janeiro, and Brazilian parliamentary organisations, Plataforma CIPO, Clima de Política, and OPCC.

We are delighted to be marking this occasion by launching this *Parliamentary Guide to Article 6 and Carbon Markets*, at the Pre-COP30 Parliamentary Forum on 27th August 2025, as one of a trio of reports seeking to enhance informed legislative engagement in the COP30 process and to accelerate action domestically.

The role of market mechanisms in promoting international cooperation on climate change has been contentious since the very beginning of the UNFCCC COP process, when the Kyoto Protocol and the Clean Development Mechanism were adopted at COP3 in 1997. More recently, the Paris Agreement's Article 6 was designed to enable international cooperation on climate change and to unlock financial support for developing countries. Yet it was bedevilled with controversy and defied agreement until November 2024 – a full nine years after the adoption of the Paris Agreement at COP21 in 2015. Last year's COP29 in Baku, Azerbaijan marked a milestone in the long-running Article 6 negotiations, as Parties finally reached agreement on all three core components: Article 6.2 (cooperative approaches), Article 6.4 (the UN-supervised crediting mechanism), and Article 6.8 (non-market approaches).

What then is Article 6, how does it connect to carbon markets, and why does this matter? Outside of a relatively small group of specialists and business professionals, few know the answer to this, or why it is particularly relevant for aligning national economic, industrial and climate policy goals. We know from our work with members of parliament that there is tremendous appetite for understanding carbon markets and recent developments. GLOBE has therefore commissioned this report from an acknowledged authority on the subject, to illuminate what Article 6 means and why understanding its provisions matter for the work of parliamentarians.

At COP28, GLOBE coined the phrase *Parliaments make COPs count*, as it is their duty to bring international agreements home, to anchor them in domestic legislation, pass budgets, provide oversight and scrutinise implementation. As the report author notes, Article 6 is not just a technical provision, it is the very engine room of international climate cooperation. This Guide helps parliamentarians understand the complexities of setting up domestic institutional frameworks through a step-by-step approach, explaining key concepts, providing examples and suggesting timeframes for action.

We commend this publication to parliamentarians and all who work with them, to support their informed leadership on translating this key provision of the Paris Agreement into ambitious domestic climate action and international cooperation.

Malini Mehra

Chief Executive, GLOBE Legislators

Co-Convener, Rio Climate Action Week

Acknowledgements

This Guide was originally conceptualised by Malini Mehra CEO at Globe Legislators and executed by Kalyani Inampudi, who researched, authored, and compiled the content between May and August 2025. Kalyani, attempted to bring together regulatory insights, country experiences, and implementation frameworks to support both emerging and advanced Article 6 participants.

My deepest thanks go to Malini for her vision, leadership, and unwavering support throughout this process.

I am also grateful to the many individuals who contributed insights and thoughtful critique along the way. In particular, I wish to thank the following mentors and advisors for their encouragement and substantive guidance:

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- Mr El Hadji Mbaye Diagne, Article 6.4 Supervisory Body Member
- Mr Yuvaraj Dinesh Babu, MD, Global Carbon Market Utility, Singapore

To all colleagues across the climate policy, carbon markets, and sustainable development community—thank you for shaping this work through your valuable time and feedback. Finally, for beginners, this Guide explains Article 6 in simple, structured terms. For experienced policymakers and legislators, it offers strategic framing and practical tools to lead implementation and shape the future carbon economy.

Kalyani Inampudi

Introduction to this Guide

While a growing number of websites, white papers, and technical notes cover Article 6 of the Paris Agreement, this Guide is a compact, practical effort to bring together the essentials together in one place. The Guide has been developed as a practical guide for parliamentarians and policymakers navigating international carbon markets. It addresses a wide spectrum of stakeholders—from those just beginning to engage with Article 6, to countries already leading implementation efforts such as Ghana, Indonesia, and Switzerland.

The content reflects the state of negotiations, national experiences, and institutional models as of mid-2025. Given the rapidly evolving landscape, readers should view this Guide as a current snapshot—offering structured insights, tested practices, and guiding questions that remain useful even as formal rules and systems continue to mature.

It has been informed by practitioner feedback, country case studies, and on-ground consultations with experts and government representatives involved in the development of Article 6 strategies. Readers are encouraged to consult the latest UNFCCC decisions, national guidance, and registry developments when applying these insights in practice.

Chapter 1: Why Article 6 Matters for National Policy

This opening chapter of the *Parliamentary Guide to Article 6 and Carbon Markets* lays the theoretical foundation for understanding Article 6 as a new strategic opportunity for international cooperation on climate change. The chapters that follow build on this by examining further how countries and parliaments can engage in practice - exploring legal pathways, institutional roles, cooperative models, and implementation strategies.

Framing the global context

1.1 What is the Paris Agreement?⁽¹⁾

The Paris Agreement is a legally binding international treaty on climate change which provides a global framework for climate action. It set out to improve upon and replace the Kyoto protocol an earlier international treaty designed to curb the release of greenhouse gases, which was limited to a small number of industrialised countries. The Paris Agreement was adopted by 195 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015 and entered into force on 4 November 2016. The goal of the Agreement is to keep “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.

Article 6 of the Paris Agreement focuses on international cooperation to achieve these goals, particularly through carbon markets and other cooperative approaches.

1.2 Why has Article 6 shifted the global landscape?

Article 6 has shifted the global climate landscape by introducing international cooperation as a formal tool for climate action, going beyond purely domestic efforts.

Key reasons:

- **Cost efficiency:** Countries can now meet part of their climate targets by buying lower-cost mitigation outcomes from others, allowing global emissions to be reduced where it is most economical to do so.
- **New finance channels:** Article 6 creates pathways for climate finance to flow to developing countries through carbon markets and non-market mechanisms.
- **Integrated markets:** It formalizes international carbon markets under the Paris Agreement, creating common rules, increasing trust, and encouraging wider participation.
- **Incentivizing ambition:** With clear mechanisms in place, countries are more likely to increase their national commitments, as reflected in the ambition of their Nationally Determined Contributions (NDCs), knowing that they now have cooperative options.

- **Replacing Kyoto-era tools:** Article 6.4 replaces the Clean Development Mechanism (CDM) with stronger environmental integrity safeguards and broader participation, with all countries included.

In short, Article 6 connects climate, markets, and development under a unified global framework.

1.2 Framing the Global Context

Article 6 of the Paris Agreement is crucial for national policy as it establishes a framework for international cooperation on climate action, particularly through carbon markets, which can significantly impact how nations approach their climate goals. The Paris Agreement has shifted the global climate landscape. Countries now set their own climate goals—known as Nationally Determined Contributions (NDCs)—and are expected to meet them through domestic and international action. As implementation costs rise and ambition increases, Article 6 stands out as a mechanism that enables countries to work together to meet these targets more efficiently and affordably.

Article 6 offers the legal and institutional tools for cooperation—both through markets and non-market approaches. If done right, it can lower mitigation costs, mobilize finance, and create shared value across countries. Done poorly, it could compromise environmental integrity and risk public trust.

1.2 What Is Article 6? (In Plain Language)

Article 6 of the Paris Agreement outlines how countries can voluntarily cooperate to achieve and enhance climate targets.

Why is it divided into different sections of 6.2, 6.4 and 6.8

To accommodate different pathways for cooperation, Article 6 is divided into three pillars—not one uniform approach. This design allows countries to choose how they engage, whether through direct bilateral trading, a global crediting system, or policy-based partnerships—ranging from market-based approaches to non-market collaboration—rather than using a one-size-fits-all framework ⁽²⁾

- **Article 6.2** – Cooperative Approaches: Countries can transfer emission reductions—called Internationally Transferred Mitigation Outcomes (ITMOs)—between one another, as long as robust accounting rules are followed to avoid double counting. These transfers require clear authorization and must align with national climate targets. In a nutshell it provides accounting and reporting guidance for Parties to use internationally transferred mitigation outcomes towards their NDCs.
- **Article 6.4** – A New International Credit Mechanism: This mechanism will be supervised by a UN body and will allow public and private actors to generate and trade emission reductions under centralized governance. It replaces the Kyoto

Protocol's Clean Development Mechanism (CDM) and includes new safeguards for sustainable development.

- **Article 6.8 – Non-Market Approaches:** This pillar focuses on cooperation beyond carbon markets—such as policy coordination, technology transfer, and capacity-building. It supports climate action without relying on tradable credits.

Point to be noted: While Articles 6.2 and 6.4 of the Paris Agreement both deal with carbon markets, they are not identical and have distinct approaches. Article 6.2 focuses on bilateral or multilateral cooperation between countries for trading carbon credits, while Article 6.4 establishes a centralized, UN-supervised carbon-crediting mechanism⁽¹⁾.

We will delve more in to Article 6 in the next chapter .

1.3. Why Should Policymakers and Legislators Care?

Article 6 is not just for climate negotiators—it is an issue of national interest, as it enables countries to:

- Access new sources of climate finance
- Attract clean technology investments
- Reduce the cost of delivering on NDCs
- Enhance sustainable development outcomes
- Build geopolitical credibility in the carbon era

For legislators, this means passing enabling laws and budgets, creating oversight structures, and ensuring climate integrity in cooperative arrangements. Parliamentarians are the gatekeepers of trust—and the enablers of ambition.

1.4 A Call to Action / Leadership

The global rulebook for Article 6 is largely complete. Now it is time to implement—country by country. Nations that act early can set norms, influence markets, and protect their long-term NDC strategies.

Parliamentarians and policymakers should now:

- Review and align legal frameworks with Article 6 requirements
- Strengthen inter-ministerial coordination and institutional capacity
- Authorize high-integrity pilot activities and bilateral deals
- Engage with the private sector, civil society, and subnational actors
- Ensure transparent reporting and benefit-sharing

To truly unlock Article 6's finance potential—especially for afforestation and removals—governments must streamline permitting and land tenure for private projects. Just as crucial is establishing a National Registry of credible local climate actors—NGOs, cooperatives, Indigenous groups—to enable direct partnerships with global net-zero investors. This registry reduces friction, increases transparency, and connects international climate finance to the ground realities of developing countries.

It also helps overcome current institutional bottlenecks that prevent effective linkage between global climate capital and local implementers. The National Registry will also help climate finance and other carbon removal investments to circumvent currently existing channels, not allowing a proper linkage between developing countries and global climate finance at large.

Article 6 is no longer a theoretical option. It is a strategic tool for advancing national priorities in climate, development, and diplomacy.

Key Messages and Actionable Points

- Article 6 is the core framework for global climate cooperation under the Paris Agreement.
- It empowers both market-based and non-market collaboration among countries.
- Legislators have a central role in shaping national readiness, legislative and regulatory alignment, and market credibility.
- Early leadership in Article 6 can unlock finance, boost ambition, and secure international positioning.

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Chapter 2: Understanding Article 6 – The Three Mechanisms and Approaches

Building on the policy rationale outlined in Chapter 1, this chapter introduces the three core mechanisms under Article 6 of the Paris Agreement—Articles 6.2, 6.4, and 6.8. Each provides a distinct yet complementary pathway for international cooperation, spanning market-based trading, centralized crediting, and non-market support. A clear understanding of their functions and interlinkages is essential before exploring implementation models and readiness strategies in the chapters ahead.

Understanding the Mechanisms: Article 6.2 enables direct bilateral deals for ITMOs from indigenous-led afforestation. Article 6.4 offers standardization for larger-scale projects. States should clarify authorization pathways for private afforestation under both mechanisms. A mandatory public registry of local environmental actors (NGOs, co-ops, Indigenous groups) is essential, as it enables platforms to verify and connect credible developers with buyers, improving trust and reducing data fragmentation.

2.1 Article 6.2 – Cooperative Approaches and ITMOs

Article 6.2 allows countries to enter into bilateral or multilateral agreements to transfer emission reductions between each other. These are known as Internationally Transferred Mitigation Outcomes⁽²⁾. Transfers can be used toward achieving countries' NDCs, but only if they follow robust accounting principles that avoid double counting.

Key concepts:

- **Authorization:** The transferring country must explicitly authorize the use of ITMOs for NDC purposes.
- **Corresponding Adjustments⁽²⁾:** Adjustments are made to national GHG accounts to reflect that the emission reduction is no longer counted domestically.
- **Flexibility:** ITMOs can take many forms (e.g., tCO₂e, MWh of renewable energy, units of sequestration), subject to agreement by the parties involved.

Why it matters: Article 6.2⁽²⁾ enables greater cost efficiency and ambition by facilitating international cooperation in mitigation efforts.

2.2 Article 6.4 – The Mechanism

Article 6.4⁽³⁾ establishes a centralized crediting mechanism under the UNFCCC that is similar to the Kyoto Protocol's CDM. It allows public and private entities to implement emission reduction activities and generate credits that can be used toward NDCs. This mechanism is overseen by a Supervisory Body and includes strong sustainable development and environmental integrity safeguards.

Key concepts:

- **Centralized Oversight:** Managed by a Supervisory Body under the UNFCCC.
- **broad Participation:** Includes both public and private sector actors.
- **Sustainable Development:** Projects must demonstrate contributions to SDGs.

Why it matters: Article 6.4⁽³⁾ offers standardization and transparency, which can attract greater investment and confidence in the market.

2.3 Article 6.8 – Non-Market Approaches (NMAs)

Article 6.8⁽⁴⁾ recognizes the importance of non-market-based cooperation for mitigation and adaptation. These approaches include technology transfer, capacity building, and climate finance support. They are coordinated under a Glasgow Committee⁽⁴⁾ and aim to complement market mechanisms.

Key concepts:

- **Broader Scope:** Focuses on cooperation beyond carbon markets.
- **Institutional Support:** Managed through the Glasgow Committee on NMAs.
- **Synergies:** Enables integrated solutions aligned with SDG objectives.

Why it matters: NMAs⁽⁴⁾ ensure that Article 6 supports holistic and inclusive approaches to climate action.

Key differences between the three mechanisms:

Feature	Article 6.2 (Cooperative Approaches)	Article 6.4 (Mechanism)	Article 6.8 (Non-Market Approaches)
Nature	Bilateral/multilateral credit transfers	UNFCCC-supervised crediting mechanism	Non-credit-based cooperation
Governance	Country-driven	Overseen by UNFCCC Supervisory Body	Guided by Glasgow Committee
Flexibility	High (custom terms, ITMO formats)	Medium (standardized methodologies)	High (policy tools, no carbon units)
Use of Credits	For NDCs, CAs required	For NDCs and voluntary use, CAs required	No credits or transfers involved
Private Sector Role	Enabled via host/buyer country approval	Direct participation through registered projects	Limited (mainly public sector)
Transaction Cost	Lower	Higher (due to UN oversight)	Minimal
Suitable For	Advanced countries or bilateral deals	Countries seeking integrity and credibility	Capacity building, adaptation, cooperation

2.4 Interlinkages among the Three Mechanisms

Although Articles 6.2⁽²⁾, 6.4⁽³⁾, and 6.8⁽⁴⁾ are structured as separate mechanisms, in practice they often overlap. Many countries initially treat them in isolation, but a growing number are recognizing the practical connections.

Examples of interlinkages include:

- A mitigation activity may start under voluntary standards aligned with Article 6.4⁽³⁾ and later be authorized for trading under Article 6.2⁽²⁾ through bilateral agreements.
- Non-market approaches under Article 6.8⁽⁴⁾—such as technical assistance or grant finance—can support enabling conditions for later creditable activities under 6.4⁽³⁾ or 6.2⁽²⁾.
- Countries may use 6.4⁽³⁾ to generate standardized credits and selectively authorize their use under 6.2⁽²⁾, based on national interest and strategic partnerships.

Effective implementation of Article 6 requires integrated planning across all three mechanisms. Governments should design policies that allow for smooth transitions and interoperability between them.

2.5 Policy Insight: Enabling Private and Indigenous-Led Afforestation

- Article 6.2 enables bilateral ITMO transfers from activities like indigenous-led afforestation.
- Article 6.4 provides a standardized path for larger-scale or private afforestation projects.
- Governments should clarify authorization pathways for such projects under both mechanisms.

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Chapter 3: National Implications of Participating in Article 6 Schemes

Building on the foundational understanding of the three mechanisms under Article 6 outlined in Chapter 2, this chapter turns to the national implications of participating in such cooperation. It focuses on how countries and parliaments can align Article 6 engagement with their NDCs, manage policy trade-offs, and prepare institutional frameworks to ensure effective and credible participation.

3.1 Aligning Article 6 with NDCs and Long-Term Strategies

Participation in Article 6 is not just about carbon trading—it must strategically be aligned with a country's climate and development trajectory. Article 6 cooperation should be used to enhance ambition, unlock co-benefits, and accelerate long-term decarbonisation, not merely as a revenue tool¹

3.2 Managing Trade-Offs: Revenues vs Mitigation Integrity

Countries face a strategic dilemma: selling ITMOs generates short-term revenue and unlocks investment, but excessive or poorly timed transfers can constrain long-term mitigation ambition and weaken NDC delivery². These trade-offs are not just technical—they reflect deeper policy choices about how a country values near-term finance versus future carbon space.

The key questions policymakers should be asking themselves include

- What portion of mitigation outcomes can be sold without undermining long-term targets or limiting flexibility in future NDC updates?
- Can Article 6 revenues be earmarked to reinforce domestic decarbonisation or climate resilience?
- How can fiscal planning avoid over-reliance on uncertain and potentially volatile Article 6 income?
- What legal or institutional safeguards (e.g. ITMO caps, revocable authorisations) can protect national ambition if circumstances shift?

Balancing these trade-offs is especially important in sectors with high mitigation potential but limited baseline data (e.g. land use, cookstoves, transport).

3.3 Role of the Private Sector and Non-State Actors

Private and non-state actors will generate the majority of ITMOs under Article 6. Governments must enable access while retaining oversight³

Recommended policy actions:

- Develop clear rules for authorisation of private-sector participation.
- Require project proponents to demonstrate environmental and social safeguards, including human rights, FPIC¹, and local consultation.

- Introduce benefit-sharing mechanisms, especially in land-use sectors, to ensure fairness.
- Encourage platforms for state–non-state dialogue and feedback loops for improvement.

Countries like Peru and Indonesia have introduced private sector authorisation portals and pre-screening guidance to streamline participation.

3.4 Opportunities and Risks by Country Type

The table below illustrates the relative opportunities and risks of Article 6 participation^{7,8,9}

Country Type	Opportunities	Risks
LDCs / SIDS	Access to finance, capacity-building, and tech transfer	Low readiness; risk of elite capture; lack of legal clarity
Emerging Markets	Influence in shaping rules; blended finance; regional pilots	Political risk; registry gaps; competing priorities
Developed Countries	Cost-effective NDC delivery; credibility via high-integrity sourcing	Backlash from poor due diligence or weak partnerships

The risk of double counting, corruption, or reputational fallout is highest when registry systems, consultation processes, or benefit-sharing rules are weak or unclear^{4,5}

3.5 Key Messages for Policymakers and Parliamentarians

- Article 6 is a tool—not a shortcut. It must support long-term climate ambition, not weaken it.
- Begin with pilots and build capacity over time; don't rush into authorisations.
- Use Article 6 to crowd in investment, support sectoral transitions, and promote just outcomes.
- Build transparency and consultation into every stage—from project approval to revenue use

These principles should be backed by robust national frameworks and credible standards⁶

3.6 Supporting Community-Led Afforestation through Land Access and Actor Visibility

Afforestation offers developing countries significant low-cost removal potential aligned with their NDCs. To unlock this, countries and their parliaments must proactively designate land suitable for private investment in community-led afforestation and define benefit-sharing frameworks. Parliaments can also facilitate the land rights securing process because rural communities often own the land without having proper documentation to prove it through land titles or deeds.

Integrating a verified registry of local actors (tree-planting NGOs, water/energy co-ops) into national Article 6 governance ensures projects partner effectively, build local capacity, and deliver shared value, mitigating risks of poor implementation.

In many cases, rural communities may own or use the land without formal titles. Facilitating land rights documentation and clarifying tenure is essential for project viability and investor confidence.

In addition, integrating a public registry of verified local actors—such as tree-planting NGOs, water or energy co-operatives, and indigenous organisations—into national Article 6 governance can improve project partnerships, enhance local capacity, and ensure shared value delivery. This also mitigates implementation risks and supports equitable outcomes.

Phased Roadmap for Countries and Parliaments

Phase	Key Actions
Short-Term	Map NDC sectors open to Article 6; establish authorisation procedures
Mid-Term	Finalise legal and institutional safeguards; develop private sector rules
Long-Term	Integrate Article 6 into LT-LEDS, fiscal frameworks, and national development

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Chapter 4: Legal, Institutional and Technical Readiness – What needs to be in place

Building on the understanding of national implications of participating in Article 6—along with managing trade-offs and identifying opportunities and risks by country type, as outlined in Chapter 3—this chapter now focuses on the legal, institutional, and technical readiness required, and what needs to be in place

4.1 Establishing a National Article 6 institutional framework

To operationalize Article 6, countries and parliaments must designate a competent national authority responsible for authorizing mitigation activities, approving ITMO transfers, and ensuring compliance with UNFCCC reporting. This authority should ideally be housed within or report to the climate ministry but must work in close coordination with finance, foreign affairs, and planning ministries and any other important stakeholders for example sectoral ministries (energy, steel, Agri, transport).

Many governments are facing practical barriers: they have not yet appointed a formal authority, lack of ITMO approval process, and face institutional challenges on which ministry leads Article 6 coordination. Hence the clarity on mandates, inter-agency protocols, and political ownership is essential.

Good practices include:

- Establishing an inter-ministerial steering committee chaired by the lead ministry
- Developing formal procedures for ITMO approval and corresponding adjustments
- Assigning clear roles for technical, legal, and MRV oversight within the Article 6 authority
- Ensuring that the steering committee and ministries provide periodic updates to Parliament, as defined by national oversight procedures.

4.2 Implications for Legislative Frameworks and Parliamentary Action

National laws and regulations may need to be amended or introduced to:

- Enable legal recognition of ITMOs and authorize their international transfer
- Mandate the integration of environmental and social safeguards
- Align national climate laws with Paris Agreement obligations¹
- Define revenue allocation rules, benefit-sharing with communities, and grievance redress mechanisms

Parliaments have a key role in ensuring democratic oversight, budget allocation, and public accountability. Legislative action is also needed to guard against risks like over-selling, misaligned incentives, or undermining of domestic climate ambition.

Good practices include:

- Conducting gap analyses of national legal frameworks in light of Article 6 requirements²
- Involving parliamentary committees on climate and finance in early-stage rulemaking
- Ensuring annual hearings of key government institutions (e.g. steering committees) and ministries
- Hosting public hearings and consultations to build consensus on safeguards and benefit-sharing

4.3 Institutional Infrastructure: Authorization of Registries, MRV, and Tracking

Robust national registries are non-negotiable to be supported with international scientific and technology knowledge sharing.

- **Registry System:** Many countries still lack a digital national registry to track ITMO issuance, authorization, transfer, and cancellation³. This creates delays and reputational risk.
- **MRV Framework:** National monitoring, reporting, and verification systems must align with UNFCCC guidance and reflect real-time data flows across project proponents, sectoral ministries, and the Article 6 authority.
- **Reporting Tools:** Countries must prepare an Article 6.2 Initial Report, Annual Report (Agreed Electronic Format), Biennial Transparency Reports, and possibly structured summaries. These must demonstrate consistency, avoid double counting, and enable tracking of NDC progress⁴.

Good practices include:

- Partnering with experienced countries or platforms (e.g. UNDP, World Bank -Climate Warehouse⁴) to develop registry systems
- Using open-source MRV tools aligned with IPCC guidelines and Article 6 modalities
- Creating dashboards that integrate national registry, MRV, and NDC tracking data in real-time
- Engaging with the UNFCCC's International Registry to ensure compatibility and readiness for international ITMO transactions and reporting alignment under Article 6.2
- Exploring blockchain-based registry solutions to enhance traceability, prevent double counting, and build trust through immutable transaction records
- Piloting blockchain for secure and tamper-proof data logging, especially for project-level MRV and issuance events
- Leveraging smart contracts to automate compliance triggers, issuance, or corresponding adjustments based on predefined rules

4.4 Legal Safeguards: Transparency, Equity, and Environmental Integrity

Strong legal safeguards must underpin Article 6 engagement to protect both environmental integrity and public trust. National frameworks should:

- Prohibit double counting of emission reductions through robust accounting¹
- Guarantee public access to information and open transaction records⁶
- Safeguard Indigenous rights through Free, Prior and Informed Consent (FPIC)
- Prevent greenwashing and ensure mitigation activities do not displace domestic action

Civil society participation, transparency platforms, and grievance redress channels must be embedded in law and practice.

Good practices include:

- Enshrining FPIC and environmental safeguards in the authorization and transfer laws
- Establishing independent grievance redress mechanisms that are transparent and accessible
- Creating public Article 6 dashboards or registries where civil society can track project information

Phased Roadmap for Policymakers and Parliamentarians

Phase	Action Items
Short Term (0–1 yr)	Designate national Article 6 authority; set up inter-ministerial committee Begin legal review for ITMO authorisation and registry enabling law
Mid Term (1–2 yrs)	Develop MRV framework; launch national registry system draft and adopt benefit-sharing and safeguards regulation
Long Term (2–4 yrs)	Complete institutional procedures; integrate Article 6 into national reports Build regional cooperation and peer learning networks

Key messages and actionable points

- Countries need a designated Article 6 authority with clear inter-ministerial coordination mechanisms and Parliamentary oversight.
- Legal mandates must be updated to cover ITMO approval, safeguards, and registry operations.
- Infrastructure gaps—especially registries and MRV—are a major readiness bottleneck.
- Parliamentary action is crucial to legitimize transfers, ensure benefits reach communities, and uphold climate ambition.
- Transparency, indigenous rights, and non-displacement must be protected through enforceable legal safeguards.
- Beyond emissions accounting, these systems should include a dedicated module cataloguing all local organizations active in relevant sectors (e.g. forestry, renewables, water). This “partner layer” enables due diligence, investor access,

and matchmaking with international platforms. States should mandate registration for any entity seeking to engage in Article 6 activities, ensuring transparency, accessibility, and ecosystem-wide visibility.

- Capacity support, piloting, and peer learning from early movers (e.g. Ghana⁵, Chile, Thailand) can help bridge readiness gaps.

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Suggested reading

Gold Standard: Enabling Article 6 Readiness (2023) – <https://www.goldstandard.org/publications/implementing-article-6---an-overview-of-preparations>

Chapter 5: Practical Steps for Governments and Parliamentarians

Building on the understanding of legal, institutional, and technical readiness discussed in Chapter 4—including implications for legislative frameworks—this chapter outlines the practical steps governments and parliamentarians can take to operationalize Article 6.

5.1 Role of Government Policy

Governments play a central role in setting the strategic direction for Article 6 engagement. This includes incorporating cooperative approaches into long-term climate strategies, defining institutional responsibilities, and ensuring coherence across NDC targets, sectoral policies, and international cooperation objectives. Establishing a National Article 6 Authority is often the first step. This authority coordinates inter-ministerial engagement and manages ITMO approvals, tracking, and reporting in line with UNFCCC guidance¹.

5.2 Role of Parliamentarians in Creating Enabling Frameworks

Parliamentarians can play a key role in empowering subnational entities and the private sector. Legislators are crucial in shaping and approving national frameworks that enable participation in carbon markets. This includes drafting climate laws that define roles for Article 6 implementation, ensuring that registry systems and benefit-sharing mechanisms have a legal foundation, and integrating Article 6 into broader climate governance. Parliamentary action can provide legal clarity on ITMO authorization, corresponding adjustments, and private sector participation².

5.3 Coordinating with Subnational Governments and Private Sector

Many Article 6-related projects will be implemented at the state, district, or community level. Effective coordination mechanisms between central and subnational entities are therefore essential for streamlining project approval, ensuring data quality, and embedding Article 6 within local climate plans. Private actors—such as project developers, aggregators, and investors—require enabling frameworks, clear approval procedures, and transparency on benefit-sharing and authorization rules. Public-private platforms and guidance notes can support this⁴.

Key Messages and Actionable Points

- Establish a dedicated Article 6 authority with a legal and institutional mandate, subject to parliamentary scrutiny and oversight.
- Use legislation to embed Article 6 into domestic climate laws and climate finance frameworks.
- Facilitate dialogue and coordination with subnational authorities and private actors.
- Issue clear approval guidelines, registry protocols, and benefit-sharing rules.
- Legislators can empower subnational entities and the private sector.

- Enact laws enabling long-term land access for private/community afforestation partnerships. Prioritize a national registry of capable local actors to reduce transaction costs and accelerate finance-to-project matchmaking

Phased Roadmap for Implementation

- **Short-Term** (0–1 year): Establish a national Article 6 authority, conduct capacity-building workshops, and begin drafting legal frameworks.
- **Mid-Term** (1–3 years): Operationalize the registry, issue authorization and benefit-sharing procedures, and pilot initial ITMO transactions.
- **Long-Term** (3–5+ years): Fully integrate Article 6 into national climate policy, coordinate registry linkages, and scale private sector participation.

Best practices from country experience

- **Government Policy:** Ghana's Ministry of Environment formed a cross-ministerial Article 6 Task Force to coordinate policy and readiness planning¹
- **Legislative Frameworks:** Switzerland integrated Article 6 cooperation into its CO₂ Act, enabling legal ITMO authorizations and compliance mechanisms².
- **Subnational & Private Sector:** Chile released project approval guidance and involved regional governments in MRV planning⁴.
- **Bilateral Cooperation:** Japan operationalised the Joint Crediting Mechanism (JCM) with over 20 partner countries, offering a replicable model for bilateral frameworks³

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Suggested reading

OECD/IETA – Article 6 Readiness: Country Case Studies –

<https://www.oecd.org/environment/climate-change/Article-6-readiness-country-case-studies.pdf>

Chapter 6: Safeguards, Integrity, and Inclusivity

Free Prior and Informed Consent (FPIC) and equitable benefit-sharing are paramount for indigenous forest projects. Building on the understanding of the role of government policy and the legal, institutional, and technical readiness discussed in Chapter 5, this chapter outlines the practical steps that governments and legislators must take to implement safeguards.

6.1 Why Safeguards Matter in Article 6

Article 6 offers flexibility and finance, but without proper safeguards, it can risk environmental harm, rights violations, and reputational damage. Host countries must ensure that Article 6 activities align with national sustainable development priorities and avoid negative social or ecological outcomes. Robust safeguards protect local communities, enhance equity, and build market confidence.

6.2 Environmental Integrity: Standards and Tools

Environmental integrity ensures that emission reductions are real, additional, and not double-counted. Key practices include:

- Applying conservative baselines and robust additionality tests
- Ensuring permanence and proper leakage controls
- Aligning national systems with UNFCCC guidance¹ and Core Carbon Principles (IC-VCN)²
- Using independent third-party validation and verification

Governments should also establish grievance mechanisms and ex-post performance audits.

6.3 Social Safeguards and Benefit-Sharing

Article 6 activities must avoid harming vulnerable groups and actively support development co-benefits. Governments and parliaments can:

- Require sustainable development assessments for each project
- Mandate free, prior, and informed consent (FPIC) for Indigenous Peoples
- Establish transparent benefit-sharing frameworks for local communities
- Monitor social impacts and equity outcomes through national reporting
- Inclusion of gender, health, and livelihoods indicators enhances accountability and development value.
- Build community capacity and awareness to engage meaningfully in Article 6 activities and understand SDG co-benefits

For example, Kenya requires at least 25% of the benefits from a project to be allocated to local communities. In the Pacific, countries like Fiji and Papua New Guinea have integrated customary landowner engagement and benefit-sharing provisions into climate project design and REDD+ readiness strategies. For example, Fiji⁷ formalized a

Benefit Sharing Plan under its REDD+ ER-P that allocates approximately 85% of carbon-benefit proceeds to landowning iTaukei communities, based on transparent, participatory mechanisms⁶. In Papua New Guinea's⁸ April-Salomei REDD+ project, about 60% of revenue goes directly to local landowner groups

6.4 Inclusive Governance and Stakeholder Engagement

Meaningful engagement enhances legitimacy, surfaces risks early, and promotes innovation. Article 6 governance should:

- Institutionalize stakeholder participation at project, national, and international levels
- Provide access to information and consultation opportunities during project design
- Enable third-party submissions, feedback, and redress via digital registries
- Include representatives from civil society, Indigenous Peoples, and women-led organizations in oversight structures

6.5 Phased Roadmap for Implementing Safeguards

Short-Term (0–6 Months):

- Conduct a safeguards gap assessment comparing national systems with UNFCCC and IC-
- VCM requirements.
- Issue interim safeguard guidance or principles for Article 6 project proponents.
- Include safeguard-related criteria in project authorization procedures.
- Launch stakeholder dialogues to identify risks and expectations around integrity and inclusivity.

Medium-Term (6–18 Months):

- Enact or update legal frameworks to codify safeguard requirements, including FPIC5 and benefit-sharing.
- Operationalize monitoring indicators for social, environmental, and gender outcomes.
- Train relevant authorities and registry staff on safeguards compliance and stakeholder grievance handling.
- Pilot digital reporting channels for local communities and non-state actors to track project impacts.

Long-Term (18+ Months):

- Institutionalize safeguards into national climate governance frameworks and carbon market regulation.
- Evaluate Article 6 implementation impacts with third-party reviews or citizen panels.
- Establish a permanent multi-stakeholder forum for feedback and policy dialogue on integrity.

- Align national safeguards and reporting with SDG, Paris Agreement, and voluntary market frameworks.

Key Messages and Actionable Points

- Safeguards are not optional—they are essential for credibility and long-term participation.
- Governments must codify environmental and social requirements in Article 6 governance.
- Projects should deliver real benefits to host communities, aligned with national priorities.
- Stakeholder engagement must be built into both project design and institutional frameworks.
- FPIC and equitable benefit-sharing are paramount for indigenous forest projects
- The proposed national registry of local organizations is vital for identifying legitimate community representatives and ensuring FPIC is verifiable. Governments should mandate that project developers consult registered local entities and reference their registry IDs in safeguard reporting to enhance accountability and inclusivity.

Actionable Points:

- Integrate safeguards and SDG co-benefit metrics into authorization procedures.
- Require FPIC, stakeholder mapping, and benefit-sharing plans for all projects.
- Align national safeguard requirements with IC-VCM, Gold Standard, or VCMI frameworks.
- Establish formal channels for grievance redress and third-party input in registries.
- Build capacity for stakeholders and local communities to understand SDG-linked co-benefits and support Article 6 implementation through awareness and training programs.

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Chapter 7: Case Studies and Lessons from Early Movers

This chapter highlights country experiences with early Article 6 readiness and implementation. It includes both foundational pioneers and newer pilot examples from 2023–2024. A typology table compares readiness approaches, followed by cross-cutting lessons and a phased roadmap.

Table 1 – National Readiness Typology

Country	Governance Model	ITMO Type	Registry Ready?	Safeguards Integrated?
Ghana	EPA-led national authority	6.2	Partial	Yes
Japan	JCM bilateral network	6.2	Yes	Moderate
Peru	REDD+ linked national system	6.2 (no 6.4 transition)	Yes	Strong
Colombia	Legal reform-driven	6.2 (no 6.4 transition)	In Progress	Yes
Indonesia	Presidential decree	6.2 + 6.4	Yes	Emerging

Cross-Cutting Lessons

- Early movers show success hinges on clear rules and trusted partners.
- There is no one-size-fits-all model, but institutional clarity is essential.
- Early pilots show that Article 6 success depends on legal authority and inter-agency coordination.
- Transparent tracking systems and benefit-sharing frameworks inspire buyer confidence.
- Engagement with technical and donor partners accelerates implementation and builds trust.

Phased Roadmap: Applying Lessons to National Contexts

Short-Term (0–6 Months):

- Identify priority sectors and project types for piloting.
- Benchmark governance options against case examples (Ghana¹, Peru⁵, Indonesia⁶).
- Establish internal task force for coordinating legal, MRV, and registry readiness.

Medium-Term (6–18 Months):

- Draft and consult on authorization criteria and safeguard policies.
- Develop or adapt digital registry infrastructure and data sharing protocols.
- Initiate bilateral dialogues based on Peru, Switzerland or JCM

- initiatives like the World Bank's Climate Warehouse provide infrastructure blueprints and interoperability lessons for registry development⁴

Long-Term (18+ Months):

- Operationalize credit issuance and reporting cycles.
- Establish institutional home for long-term Article 6 coordination.
- Share lessons and case studies through UNFCCC⁷ and regional platforms.

Key Messages and Actionable Points

Key Messages:

- Case studies demonstrate the importance of early planning, political will, and sustained coordination.
- Countries benefit from tailored readiness strategies based on peer experiences, not generic templates.
- Digital infrastructure and clear legal pathways accelerate implementation and trust.
- Safeguards and benefit-sharing are increasingly embedded in early-stage agreements.
- Countries like Kenya and Senegal, supported by GGGI's readiness initiatives, have piloted institutional frameworks for Article 6 participation³
- Early movers demonstrate that success under Article 6 depends on clear rules and trusted implementation partners.
- Countries should not only study registry models (e.g. Peru's SINIA), but also evolve them into dynamic public directories of local implementing entities—such as NGOs, cooperatives, and Indigenous organizations. These actors often lack visibility yet play a critical role in afforestation and community-based interventions. Accessible registries help de-risk investments by enabling buyers to connect with credible, pre-approved partners, accelerating scalable impact.

Actionable Points:

- Use published bilateral agreements (e.g., Ghana1–Switzerland) as legal references.
- Engage donors and multilateral partners for registry, legal, or capacity-building support.
- Adapt lessons from JCM2 and IC-VCM pilot countries to inform national rollouts.
- Document and share lessons regionally to build collective experience and voice.

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Chapter 8: Commonly Asked Questions on Article 6

Building on the understanding of practical steps and early country experiences explored in Chapter 7, this chapter compiles commonly asked questions that policymakers, parliamentarians, and stakeholders frequently raise when engaging with Article 6. It offers clear, structured answers—ranging from legal readiness to voluntary market interactions—to support informed decision-making and capacity building.

Thematic questions:

A. Climate Targets and Ambition

1. How does Article 6 impact our climate targets?

It offers cost-efficiency but risks reduced domestic action.

2. Can we sell credits and still meet our NDC?

Only if domestic mitigation remains sufficient.

3. How can we manage over-selling ITMOs?

Set conservative limits and protect future NDC needs.

4. What is the First Transfer Year (FTY)?

This marks the start of CA obligations and tracking.

B. Finance and Revenues

1. Will this generate revenues?

Yes, if projects are high-quality and authorized.

2. Can Article 6 support adaptation?

Yes, via the share of proceeds and national revenue use.

C. Legal and Institutional Setup

1. What legal changes are needed?

The key legal changes needed are authorization rules, registry access, and MRV laws.

2. Who approves ITMO use and transfer?

Host countries via formal authorization procedures.

3. What if buyers fail to adjust?

This risks double counting and must be contractually secured.

4. How do we ensure legal accountability if a buyer fails to apply a Corresponding Adjustment?

Through binding contracts, clear authorization terms, and transparent reporting obligations under Article 6 rules.

5. What is host country authorization?

This is formal government approval for an activity to generate ITMOs and be used toward NDCs or other purposes.

6. What is a Corresponding Adjustment (CA)?

A bookkeeping adjustment by both countries to prevent double counting of emission reductions.

7. What legal changes are needed to participate?

Laws for authorizing ITMOs, accounting, registries, benefit-sharing, and MRV.

8. Can subnational entities (like state governments) engage in Article 6 □ especially in large federated countries?

Yes, but only through national government approval; federated systems must clarify roles, coordination, and legal authority.

9. How do Article 6 mechanisms interact with the voluntary carbon market (VCM)?

VCM credits can become ITMOs if authorized and adjusted; otherwise, they serve different purposes and must avoid double claims.

D. Project Types and Scope

1. Are Article 6 credits project-based only?

No, they can include programs, sectors, or policies.

2. Do Article 6 rules apply to all sectors?

Yes, including energy, forestry, and policy instruments.

E. Market Linkages and VCM

1. How do Article 6 and VCM interact?

VCM credits can become ITMOs if authorized and adjusted.

2. Can Article 6 credits be used in CORSIA?

Yes, if host-authorized and correspondingly adjusted.

3. Can voluntary credits be used as ITMOs?

Yes, if authorized and adjusted by the host country.

F. Subnational and Private Actors

1. Can subnational entities engage?

Only via national government authorization.

2. What if a project fails midway?

Liability depends on the contract and risk sharing.

G. Registries and MRV

1. What MRV and registries are accepted?

UNFCCC-compatible national or independent systems.

H. Safeguards and Equity

1. How do we ensure benefits reach communities?

Through national benefit-sharing and social safeguards.

2. Are there safeguards under Article 6.4?

Yes, including SDG reporting and grievance mechanisms.

I. Implementation and Readiness

- 1. How long does it take to set up an Article 6 framework?**
12–24 months for full legal, registry, and MRV readiness.
- 2. What is needed for host country participation?**
Clear authorization process, institutional capacity, and NDC alignment.
- 3. Can we pilot before full implementation?**
Yes, many countries run pilots to test systems and gain experience.

J. Use and Claims

- 1. What types of claims can buyers make?**
Depends on authorization: “contribution” vs “offset” vs “mitigation outcome.”
- 2. What happens if a buyer fails to make a Corresponding Adjustment?**
It risks double counting and should be managed via contracts and reporting checks.
- 3. What if ITMOs are not used immediately?**
They can be banked, but usage must be transparently reported.
- 4. Can private sector actors trade ITMOs?**
Yes, but under host country oversight and national rules.
- 5. What if a project fails midway?**
Depends on the contract—some use buffers, insurance, or risk-sharing clauses.

K. Risk and Integrity

- 1. What are the main risks in Article 6 transactions?**
Double counting, political change, delivery failure, reputational risks.
- 2. How do we ensure high environmental integrity?**
By using robust baselines, additionality, conservative estimates, and safeguards.
- 3. What happens if a project is challenged later?**
Depending on rules, credits may be reversed or flagged; dispute resolution is key.

L. Straight Questions, Straight Answers (For Legislators New to Article 6)

- 1. Is this about planting trees?**
Sometimes — but it's bigger. It's about countries working together to reduce emissions.
- 2. Can countries make money from this?**
Yes, if they follow the rules and sell credits responsibly.
- 3. Will this stop us from meeting our own climate targets?**
Not if we plan carefully and keep enough reductions for ourselves.
- 4. Can we just let private companies handle this?**
No — the government must approve and track all transfers.

5. Is it like the old CDM system?

Similar, but stricter and with new checks to avoid cheating.

6. Can we use these credits in our own country?

Yes, if we don't sell them abroad or if we account for them properly.

7. Do we need to write new laws for this?

Likely yes — at least to approve trades and track emissions.

8. What happens if we do nothing?

We miss out on finance and fall behind other countries.

M. Participation and Eligibility

1. What qualifies as an ITMO?

A mitigation outcome in tCO₂e, authorized by the host country, transferred internationally, and correspondingly adjusted.

2. Are all Article 6 activities project-based?

No, they can include projects, programs, policy instruments, or sectoral actions.

3. Can subnational entities (like state governments) engage?

Only through national government authorization.

4. How do we avoid over-selling ITMOs while securing revenue and protecting future NDC ambition?

By modelling long-term mitigation needs and setting limits on ITMO transfers beyond surplus.

N. Technical Infrastructure

1. What types of registries and MRV systems are accepted?

UNFCCC-compliant national or independent systems (for 6.2); centralized registry for 6.4.

2. What is the First Transfer Year (FTY)?

The year when an ITMO is first transferred or used, triggering CA obligations.

O. Sustainable Development and Community Impact

1. How do we ensure benefits reach local communities?

Through national benefit-sharing frameworks and social safeguard integration.

2. How can Article 6 promote sustainable development?

By aligning projects with SDG indicators and enforcing co-benefit reporting.

3. Can Article 6 support adaptation finance?

Yes — via share of proceeds under 6.4 or government-directed ITMO revenues.

Next Steps for Parliamentarians on Article 6

- **Get Briefed Properly** – Request a short, non-technical briefing from your Ministry of or national Climate Authority.

- **Push for a National Strategy** – Urge your government to publish a roadmap on Article 6 participation — covering legal, institutional, and technical aspects.
- **Check the Legal Gaps** – Support review of national laws on authorization, carbon rights, Registries and benefit-sharing.
- **Ensure Oversight** – Push for regular hearings and reporting to Parliament on Article 6 authorizations, revenues, and community safeguards.
- **Champion Benefit-Sharing** – Advocate that revenues from credit sales benefit vulnerable and frontline communities.
- **Support Capacity Building** – Promote training for local governments, auditors, and civil servants On Article 6 rules.
- **Demand Transparency** – Back open publication of ITMO deals, host country approvals, and registry data.
- **Engage Internationally** – Participate in GLOBE and related partner events, sign up to the regular *Parliamentarians@COP* newsletters and similar resources to learn from peers in other countries.

Key message

- How do we find reliable local partners? – this is currently a top buyer question.

The answer is via a state-maintained, public registry of organizations with a simplified registration process. This registry will directly addresses the partnership bottleneck, providing transparency and reducing due diligence burdens for private investors and platforms seeking credible afforestation project developers, especially indigenous groups and local NGOs. The registry must be updated regularly and get input from local populations to rate the performance of registered actors.

Suggested reading

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Chapter 9: The Road Ahead – Key Actions for 2025–2030

Building on the insights from commonly-asked questions and implementation challenges in Chapter 8, this chapter outlines a forward-looking roadmap for governments, parliamentarians, and key stakeholders. Chapter 9 identifies priority actions from 2025 through 2030 that can ensure high-integrity implementation of Article 6, while aligning with national climate targets and sustainable development goals.

1. Setting the Vision

- Align Article 6 implementation with national net zero targets.
- Establish clear roles for ministries, regulators, and subnational bodies.
- Anchor carbon markets within long-term climate and development planning.

2. Policy and Legal Reforms

- Enact national frameworks for ITMO authorization, transfers, and tracking.
- Introduce safeguards for environmental integrity and human rights.
- Harmonize domestic rules with UNFCCC guidance and regional protocols.

3. Market Infrastructure

- Operationalize national registries and link with the Article 6.2 and 6.4 registries.
- Develop interoperable MRV, reporting, and tracking systems.
- Ensure transparency in corresponding adjustments and transaction disclosures.

4. Readiness and Capacity Building

- Train technical staff across government, private sector, and verifiers.
- Support local governments and indigenous groups to engage in market frameworks.
- Facilitate peer learning with early movers (e.g., Ghana, Switzerland, Singapore).

5. Mobilising Finance and Private Sector Action

- Attract blended finance for mitigation projects aligned with Article 6.
- De-risk participation through clear carbon revenue frameworks.
- Recognise private sector contributions in NDC enhancement.

6. Bridging Article 6 and the Voluntary Carbon Market

- Define pathways for voluntary credits to transition into 6.2, 6.4-eligible units, and other compliance units (namely CORSIA)
- Clarify double claiming rules and voluntary use of corresponding adjustments.
- Encourage use of high-integrity labels and registries (e.g., ICVCM-aligned).

7. Regional Cooperation and South–South Collaboration

- Launch regional dialogues and joint methodologies.
- Share legal templates, registry designs, and capacity tools.
- Co-develop mitigation activities and bundled ITMO offers.

Short-Term (2025–2026): Foundation and Early Enablement

- Enact national legislation on ITMO authorization and approval.
- Design and pilot national carbon registries.
- Establish Article 6 taskforces across key ministries.
- Train government staff on Article 6 procedures and safeguards.
- Clarify domestic policy on corresponding adjustments.
- Establish or strengthen national GHG inventory systems to serve as the foundational baseline for tracking corresponding adjustments and assessing Article 6 alignment with NDC targets

Mid-Term (2026–2028): Market Activation and Integration

- Launch fully functional national registry linked to UNFCCC systems.
- Operationalize MRV and tracking systems with pilot ITMO transactions.
- Align voluntary market rules with Article 6.4 pathways.
- Mobilize domestic finance and de-risking tools for project developers.
- Launch first round of regional dialogues and cooperative activities.

Long-Term (2028–2030): Scaling and System Maturity

- Institutionalize private sector participation via sectoral frameworks.
- Issue corresponding adjustments at scale with full transparency.
- Expand cross-border cooperation and regional platforms.
- Link Article 6 activities with SDG and climate finance tracking.
- Embed Article 6 trading into long-term NDC update cycles.

Sample Year-by-Year Roadmap

Y1

Please Note: Y1 is a huge priority to operationalize the national registry including the comprehensive local actor database. This registry is foundational for attracting private afforestation investment under Article 6. Without it, platforms struggle to efficiently connect global capital with capable local implementers. States must fund and launch this in the short term to unlock project pipelines. The idea is to catalyze projects and transactions by "activating" capable partners who have experience, knowledge and capacity to implement climate projects

- Enact legal frameworks for ITMO authorization and project approval.
- Design and pilot national carbon registries.
- Create cross-ministerial Article 6 working groups.
- Train government staff on Article 6 procedures and safeguards.
- Clarify domestic policy on corresponding adjustments.
- Establish or strengthen national GHG inventory systems to serve as the foundational baseline for tracking corresponding adjustments and aligning Article 6 activities with NDC targets.

Y2

- Operationalize pilot registry and launch initial project approvals.
- Clarify policy on corresponding adjustments and voluntary markets.
- Strengthen MRV protocols and draft procedural guidelines.
- Conduct Article 6 awareness campaigns for subnational actors and private sector.

Y3

- Launch domestic MRV and tracking systems.
- Begin pilot ITMO transactions under Article 6.2 and Article 6.4.
- Mobilize finance for high-integrity mitigation activities.
- Coordinate first regional dialogues on joint implementation and safeguards.

Y4

- Integrate registry with international systems (UNFCCC and Article 6.4).
- Issue corresponding adjustments and publish transparency reports.
- Develop legal pathways for voluntary market alignment with Article 6.4.
- Expand capacity-building to private sector and local governments.

Y5

- Scale-up ITMO issuance and deepen bilateral/multilateral cooperation.
- Launch regional platforms for credit bundling and cooperative projects.
- Institutionalize participation rules for private sector and finance actors.
- Align Article 6 reporting with national climate finance and SDG tracking.

Y6

- Finalize system-wide integration of Article 6 with updated NDC cycles.
- Evaluate environmental integrity, equity, and benefit-sharing impacts.
- Document lessons learned and update legislative frameworks as needed.
- Position Article 6 as a core tool in delivering national climate ambition.

Key Messages and Action Points

- Anchor A6 actions in long-term NDCs and net zero targets.
- Legislate clear rules on authorization, transfers, and adjustments.
- Invest in MRV and registries that can scale with demand.
- Bridge voluntary and compliance markets through clarity and transparency.
- Prioritise fairness and local benefits in project design and revenue use.

- Accelerate South–South learning to avoid fragmented market approaches.
- Ensure coherence with long-term NDC and SDG commitments.
- Use lessons learned to continuously refine policy and institutional design.

Suggested Reading

1. **UNFCCC Article 6 Resources**
<https://unfccc.int/process-and-meetings/the-paris-agreement/article6>
2. **ICVCM: Core Carbon Principles and Guidance**
<https://icvcm.org>
3. https://www.worldbank.org/en/topic/climatechange/brief/the-world-bank-engagement-roadmap-for-carbon-markets?utm_source=chatgpt.com
4. **Gold Standard Host Country Guidelines on Article 6**
<https://www.goldstandard.org/publications/implementing-article-6---an-overview-of-preparations>
5. **Advancing the Paris Agreement through Cooperative Approaches**
<https://climatepromise.undp.org/research-and-reports/advancing-paris-agreement-through-cooperative-approaches>
6. **Switzerland's bilateral agreements to offset their emissions set a poor precedent for ambition ahead of COP26**
<https://newclimate.org/news/switzerlands-bilateral-agreements-to-offset-their-emissions-set-a-poor-precedent-for-ambition>

Chapter 10: Aligning Article 6 with Broader Policy Agendas

This chapter builds beyond readiness and legal alignment (as explored in Chapter 4), focusing instead on how countries can integrate Article 6 into broader policy and investment agendas to maximise co-benefits and unlock systemic climate finance. This chapter builds on earlier discussions by focusing specifically on embedding Article 6 within national development and sectoral policy agendas.

1. Introduction

Article 6 should not be treated as a standalone carbon trading tool. When aligned with national development strategies¹, it can unlock finance, catalyse innovation, and strengthen climate ambition. Countries can position Article 6 within broader agendas—like NDC implementation¹, green industrial policy², and just transition²—to maximise co-benefits.

2. Why Policy Alignment Matters

Policy Agenda	Why Article 6 Matters
NDCs (Nationally Determined Contributions) & LT-LEDS ((Long-Term Low Emission Development Strategies)	Article 6 can help finance conditional targets and raise ambition
Sustainable Development Goals (SDGs)	Well-designed projects deliver co-benefits across energy, health, jobs
Just Transition	Revenues and investments can support workers, MSMEs, and equity goals
Green Industrial Policy	Industrial decarbonisation and clean tech scale-up can be Article 6-linked
Climate Finance Strategy	Article 6 can complement GCF, MDBs, and blended finance flows
Energy Transition Plans	Power sector mitigation actions can generate high-quality ITMOs

3. Entry Points for Integration

Entry Point	Article 6 Linkage
NDC Updates	Embed Article 6 as a financing or cooperation mechanism
Sectoral Plans (e.g. transport, waste, energy)	Identify eligible activities for crediting or cooperation
Investment Promotion Strategy	Position Article 6 as a channel for green FDI and PPPs
National Adaptation Plans	Include Article 6 revenues or SOP to fund adaptation co-benefits
Climate Budget Tagging	Align Article 6 proceeds with climate-tagged national budgets

4. Case Highlights

- Indonesia: Integrating Article 6 into Just Energy Transition Partnership (JETP) strategy⁴
- Ghana: Linking Article 6 revenues to SDG-aligned investments via Climate Finance Unit.
- Switzerland: Using Article 6 for structured bilateral cooperation in waste, energy, and transport sectors.
- Morocco: Aligning Article 6 pipeline with national green hydrogen strategy.

5. Roadmap for Policymakers and Parliamentarians

Steps	Action Points
Step 1: Mapping	Identify key policy plans where Article 6 could be additive (NDC, SDG, LT-LEDs, green industry)
Step 2: Prioritisation	Select sectors or actions with high mitigation and co-benefit potential
Step 3: Institutional Alignment	Align mandates between climate, planning, finance, and sector ministries
Step 4: Pipeline Development	Build project pipelines that fit both Article 6 rules and national priorities
Step 5: Monitoring & Feedback	Track how Article 6 contributes to broader policy KPIs (jobs, emissions, equity)

6. Key Messages and Action Points for Policymakers and Parliamentarians

- Treat Article 6 as a cross-cutting enabler, not just a carbon finance mechanism.
- Embed Article 6 strategies in NDCs, LT-LEDs, and climate finance plans.
- Use Article 6 to unlock investments in hard-to-finance sectors (e.g. waste, mobility).
- Design projects that deliver SDG co-benefits³ and align with industrial growth goals.
- Coordinate between ministries to ensure Article 6 outcomes support broader national development³
- Article 6 afforestation finance must align with rural development and biodiversity goals. The local actor registry enables this alignment by identifying NGOs/co-ops, local scientists, technicians and researchers whose work spans climate, SDGs, biodiversity, ancestral planting methods, tribal irrigation methods and community resilience. States can use the registry to target policy support and ensure Article 6 projects actively partner with these entities, maximizing co-benefits beyond carbon.

Bibliography

1. UNDP (2023). Mainstreaming Carbon Markets into Development Planning
<https://www.undp.org/press-releases/un-development-programme-launches-plan-boost-integrity-carbon-markets-and-increase-access-finance-schemes-developing-countries>

2. MOVING TOWARDS NEXT GENERATION CARBON MARKETS OBSERVATIONS FROM ARTICLE 6 <https://climatefocus.com/wp-content/uploads/2022/06/CFI-Moving-towards-next-generation-carbon-markets-1.pdf>
3. Putting People at the Center of Climate Action
<https://www.wri.org/insights/putting-people-center-climate-action#:~:text=Over%2015%20million%20additional%20jobs,reduced%20air%20and%20water%20pollution>
4. Indonesia JETP Secretariat (2024). Article 6 Scoping in Just Transition Finance
https://www.germanwatch.org/sites/default/files/germanwatch_the_role_of_the_just_energy_transition_partnership_in_indonesia_2024.pdf

Suggested reading :

ICAT (2021). Integrating Carbon Market Strategies with National Development Plans
<https://climateactiontransparency.org/resource/icat-carbon-market-strategies-guide>

Chapter 11: Key Takeaways and a Policymaker's Checklist

Building on the alignment of Article 6 with broader policy agendas, this final chapter consolidates key insights into a practical checklist. It is designed as a ready reference for policymakers and parliamentarians, drawing from the entire Guide so far to support implementation, institutional coherence, and climate ambition.

1. Purpose and Framing

This chapter distils the essential lessons from this Guide on Article 6 and Carbon Markets into a practical summary for decision-makers. It is designed to support legislators, climate officials, and public sector leaders in navigating the operational and strategic dimensions of Article 6 implementation. Whether your country is at the readiness, piloting, or scaling stage, this chapter provides a quick reference to guide next steps.

2. Top 10 Takeaways

- Article 6 is a tool, not a goal – Its value depends on how well it supports domestic climate ambition, not just international transactions.
- Readiness is foundational – Legal clarity, institutional roles, and data systems must be in place before transacting.
- Corresponding adjustments are political and technical – They require cross-ministerial coordination, long-term planning, and trust in MRV systems.
- Engagement in pilots builds capability – Early pilots are essential to build institutional muscle memory and test frameworks.
- Avoid overselling future ambition – Safeguard your NDC trajectory; do not cannibalize domestic mitigation for short-term revenue.
- Private sector demand is shifting – Buyers seek high-integrity credits that deliver SDG co-benefits, community inclusion, technology transfer, and robust safeguards. Projects with strong development impact are increasingly favoured. Technology transfer—through shared tools, training, and partnerships—can help scale climate ambition and enhance long-term resilience.
- Article 6.2 and 6.4 serve different use cases – Use 6.2 for bilateral deals and tailored partnerships; use 6.4 for standardised, scalable access.
- Registries and data systems must interoperate – Transparency and double counting avoidance depend on functional digital infrastructure.
- Climate finance is not guaranteed – Selling credits is not a substitute for concessional climate finance; careful cost-benefit analysis is essential.
- Whole-of-government alignment matters – Legislative backing, political buy-in, and long-term climate governance are key to credible participation.

3. Policymaker's Checklist

Theme	Check list
Legal and Institutional Framework	Enact legislation to enable Article 6 participation Designate national authority with clear mandate
NDC and Mitigation Planning	Align ITMO authorisation with NDC trajectory and LT-LEDs Define sectoral boundaries and ineligible sectors
Governance and Coordination	Establish inter-ministerial coordination body Create safeguards and benefit-sharing protocols
Infrastructure and MRV	Set up national registry and reporting linkages with UNFCCC Define data protocols for mitigation outcomes and adjustments
Market Strategy	Identify use cases for 6.2 and 6.4 participation Map demand partners and develop bilateral pipeline
Capacity Building	Train ministries, parliamentarians, and private actors Participate in pilots, peer exchanges, and Article 6 networks
Risk and Integrity Management	Develop anti-corruption, grievance, and reversal risk measures Monitor overselling risk and maintain NDC reserve
Establish & Maintain Public National Registry of Local Climate Actors (NGOs, Co-ops, Indigenous Orgs (essential))	This is not optional. It's the bedrock for scaling high-integrity private-sector afforestation under Article 6. Platforms require this data to function efficiently and ensure finance reaches vetted, effective ground-level partners

4. Tools & Resources

- UNFCCC Article 6.2 Initial Report Templates
- IC-VCM Government Readiness Framework
- Gold Standard's Government Engagement Toolkit
- World Bank Climate Warehouse + Climate Action Data Trust
- UNDP NDC Support Programme Resources
- Peer country examples – Ghana, Switzerland, Thailand, Peru
- NDC Partnership (<https://ndcpartnership.org/>)

5. Closing Note: Implementation is the New Ambition

Article 6 is not just a technical mechanism—it is a governance test. Countries must move from intent to institution-building, from ambition to accountability. This checklist is a starting point. Long-term success will depend on leadership, coherence, and the courage to course-correct as lessons emerge.

The most significant hurdle blocking climate finance flows to developing countries is the inability of climate service providers in these countries to access climate finance.

This is due to a lack of visibility, an absence of platform where they can register and showcase their work/capacity/projects.

Suggested Reading

- UNFCCC Article 6.2 Initial Report Templates: <https://unfccc.int/documents/624470>
- IC-VCM Government Readiness Framework: <https://icvcm.org/wp-content/uploads/2024/02/CCP-Section-4-V2-FINAL-6Feb24.pdf>
- <https://globalgoals.goldstandard.org/102-par-stakeholder-consultation-requirements/>
- World Bank Climate Warehouse: <https://www.theclimatewarehouse.org/>
- Climate Action Data Trust: <https://climateactiondata.org/>
- UNDP NDC Support Programme: <https://climatepromise.undp.org/ndc-support-programme>
- Switzerland Article 6 Bilateral Agreements: <https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate--international-affairs/staatsvertraege-umsetzung-klimauebereinkommen-von-paris-artikel6.html>
- Thailand's National Article 6: <https://www.spar6c.org/sites/default/files/downloads/best-practices/Thailand.pdf>
- Peru and Switzerland First ITMO Transaction: <https://www.news.admin.ch/en/nsb?id=80708>
- NDC Partnership: <https://ndcpartnership.org/>

Chapter 12. Further Resources and Tools

Building on the preceding chapters that explored readiness, implementation, and policy alignment, this chapter provides a curated list of resources and tools to support governments, parliamentarians, and stakeholders in operationalizing Article 6 mechanisms.

Resources are critical tool in pooling national resources, knowledge and capacity from all departments (environment, water, agriculture, rural development, etc.) to centralize data on territories and empower local government authorities in facilitating project implementation.

This chapter provides a curated list of publicly available resources that governments, legislators, and stakeholders can access to deepen their understanding and implementation of Article 6 mechanisms.

A. UNFCCC and Supervisory Body Platforms

- UNFCCC Article 6.2 Registry Portal
- Article 6.4 Supervisory Body: Meeting Reports, Methodologies, Guidance
- NDC Registry and Biennial Transparency Reports

B. International Initiatives and Readiness Platforms

- IC-VCM: Host Country Readiness Guidance, Governance Tools
- Gold Standard: Policy Toolkits, Sustainable Development Guidance
- OECD & IETA: Article 6 Readiness Reports and Country Case Studies
- World Bank: Climate Warehouse, Mitigation Outcome Database
- Climate Ledger Initiative: Digital MRV Tools and Blockchain Use Cases

C. Regional and Country-Level Examples

- Ghana: Article 6 Framework Manual
- Switzerland: Bilateral Cooperation Agreements
- Indonesia: Presidential Regulation on Carbon Economic Value
- Senegal & Chile: Regional Market Readiness Initiatives
- Singapore: Carbon Services and International Market Participation (<https://www.nccs.gov.sg/>)

D. Technical and Legal Reference Tools

- Carbon Market Watch: Policy Briefs and Civil Society Perspectives
- Verra and Gold Standard Registries: Methodologies and Project Databases
- Climate Focus: Legal Readiness Assessments and Advisory Notes
- IGES: Policy Databases and Mechanism Comparisons

Key Points

- Governments can access structured Article 6 resources through the UNFCCC and national registries.

- IC-VCM, Gold Standard, and OECD provide readiness guidance and country support tools.
- Country examples (Ghana, Indonesia, Switzerland) offer templates for legal and institutional action.
- Civil society and technical providers (Verra, Climate Focus) offer policy briefs and comparative tools.
- Beyond UNFCCC resources, states should prioritize funding and technical assistance specifically for developing and populating this dynamic registry.

Suggested Reading and Resources

- UNFCCC Article 6.2 Registry Portal
<https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-62/international-registry#:~:text=Main-Article%206.2,not%20yet%20been%20first%20transferred>
- Article 6.4 Supervisory Body
<https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body>
- NDC Registry
<https://unfccc.int/NDCREG>
- <https://assets.publishing.service.gov.uk/media/67ff86a6ed87b81608546788/vcnm-integrity-consultation-document.pdf>
- Gold Standard Policy Toolkits
<https://globalgoals.goldstandard.org/sdg-impact-tools/#:~:text=The%20Gold%20Standard%20SDG%20Impact,users%20to%20use%20this%20version.>
- OECD & IETA Country Case Studies
<https://www.oecd.org/environment/climate-change/article-6-readiness.htm>
- World Bank Climate Warehouse
<https://www.climatewarehouse.org/>
- Climate Ledger Initiative
<https://climateledger.org/>
- Indonesia Carbon Economic Value Regulation
<https://peraturan.bpk.go.id/Home/Details/205200/perpres-no-98-tahun-2021>
- Carbon Market Watch Briefs
<https://carbonmarketwatch.org/our-work/policy-briefs/>
- Verra Registry
<https://registry.terra.org/>

- Gold Standard Registry
<https://registry.goldstandard.org/>
- Climate Focus Legal Readiness
<https://climatefocus.com/>
- An In-depth Overview of IGES
https://www.iges.or.jp/en/publication_documents/pub/data/en/6129/IGES+Climate+Databases-Pamphlet_final.pdf

Chapter 13: Risks, Mitigation Strategies, and Ethics in Article 6 Engagement

1. Overview

Engaging in Article 6 mechanisms presents both opportunities and risks. A major risk with Article 6 is elite capture or partnering with ineffective entities when it comes to risks and ethics. Countries and project developers must manage environmental integrity, transparency, equitable benefit-sharing, and legal accountability while navigating uncertainties in markets, governance, and political interests. This final chapter outlines core risks, recommended mitigation strategies, and ethical principles to guide responsible participation.

2. Key Risk Categories

Risk Area	Description	How to address it
Environmental Integrity	Risk of non-additionality, double counting, and leakage.	Use conservative baselines, third-party verification, and transparent registries
Over-Selling ITMOs	Selling more than needed for own NDCs, risking future ambition.	Set limits on transferable volumes; regularly assess NDC progress
Undermining Domestic Ambition	Excessive reliance on ITMO revenue may disincentivize domestic mitigation.	Mandate domestic contribution floors; link ITMO sales to reinvestment in local action
Community Displacement	Poorly designed projects may result in land grabs or exclusion of local people.	Enforce FPIC, benefit-sharing, and safeguard assessment
Greenwashing by Corporates	Risk of overstating climate contributions through offset use in voluntary markets.	Regulate corporate claims and require disclosure of full mitigation hierarchy
Unclear Legal Mandates	Ambiguities in authorization, responsibility, and liability.	Develop clear legal frameworks and standardised authorisation protocols
Equity & Social Risk	Community exclusion, elite capture, or unjust benefit sharing.	Mandate inclusion of vulnerable groups and community-led project models
Data & MRV Weaknesses	Poor-quality baselines, unverifiable outcomes, lack of digital registries.	Invest in digital MRV systems and independent audits Invest in digital MRV systems and independent audits

Market Volatility	Uncertain pricing, demand shocks, and reputational risks.	Use price floors, insurance, or diversification strategies
Political or Institutional Risk	Lack of continuity, weak institutional capacity, and regulatory gaps.	Build cross-party support and permanent institutional structures

3. Mitigation Strategies

Strategy	Application
Strong Authorisation Procedures	Clear, transparent processes for ITMO approval and tracking.
Conservative Baselines	Avoid inflated baselines and apply conservative accounting.
Corresponding Adjustments Clarity	Ensure national accounting systems reflect transfers accurately.
Robust Stakeholder Engagement	Mandate FPIC, grievance mechanisms, and fair benefit-sharing.
Institutional Readiness	Capacity-building in ministries, registries, MRV, and legal frameworks.
Diversification	Avoid overreliance on a single sector or buyer.
Scenario Planning	Stress-test Article 6 portfolios against regulatory and price changes.

4. Ethical Considerations

- Climate Justice: Align Article 6 actions with equity, not just cost-efficiency.
- Do No Harm: Prioritise safeguards, especially for Indigenous Peoples and vulnerable groups.
- Transparency & Accountability: Publicly disclose authorisations, registries, and benefit flows.
- Fair Distribution of Benefits: Ensure local communities are partners—not mere beneficiaries.
- Avoiding Greenwashing: Corporates and governments must disclose full climate action, not overstate Article 6 roles.

5. Recommended Roadmap

Phase	Action
Short Term (2025–2026)	Establish risk registers and ethical screening for all ITMO transactions.
Medium Term (2026–2028)	Develop harmonised guidelines on stakeholder inclusion and co-benefit metrics.
Long Term (2028–2030)	Embed risk mitigation protocols into Article 6 legislation and registry interoperability frameworks.

6. Key Messages and Action Points

- Integrate ethics into Article 6 rules from the outset — don't treat them as add-ons.
- Pre-empt reputational and legal risk through robust safeguards and documentation.
- Invest in MRV and digital infrastructure to improve transparency and confidence.
- Embed climate justice and fair benefit-sharing mechanisms.
- Avoid carbon tunnel vision — ensure mitigation activities support long-term sustainable development.
- The transparent, state-validated registry of all relevant organizations mitigates elite capture by providing visibility into the full landscape of potential partners. It should avoid replicating the limitations of previous approaches and instead aim to create a transparent and inclusive database. This will empower global actors and local communities to ensure fair access and competition, upholding ethical standards in private afforestation deals under Article 6.

Concluding Reflection

As countries and stakeholders engage in Article 6 mechanisms, recognising and managing risks is essential for ensuring environmental credibility, social equity, and long-term trust. Ethical integrity must guide not just compliance, but ambition. Several initiatives are already working to **embed risk and safeguard ratings** into Article 6 and broader carbon market systems:

- The **IC-VCM Assessment Framework** includes integrity criteria and rating tools that support project-level risk screening
- The **Gold Standard Safeguarding Principles** provide a structured approach to evaluating environmental and social risks
- Countries like Ghana and Chile are developing national-level **readiness scorecards** and project approval matrices to evaluate legal and institutional preparedness
- The **World Bank Climate Warehouse** and **CAD Trust** are building platforms that may support tagging, tracking, and risk-flagging features in registries

These initiatives suggest a pathway toward Article 6 project and programme approvals being supported by **traffic-light indicators**, **MRV quality scores**, and **community safeguard flags**. Governments are encouraged to align their approval and registry processes with such rating-informed practices.

Suggested reading

1. <https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-6.2>
2. <https://carbonmarketwatch.org/2025/04/10/first-wave-of-article-6-carbon-credits-misfire-spectacularly/>
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6. IC-VCM Core Carbon Principles Assessment Framework (2023)



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