



Article 6.2 Ambition Dialogue

Institutional arrangements for participation in Article 6.2, including authorization processes, arrangements to meet reporting requirements under Article 6.2, and related governance aspects.





Institutional Arrangements & Governance consideration for A6 Participation



POLICY OVERSIGHT

National Environment Commission / National Climate Change Committee

Apex body · Sets Article 6 direction · Approves rules, positive lists, CA fees · Reports to Cabinet

STRATEGIC ADVISORY

C4 – Climate Change Coordination Committee

Multi-stakeholder technical body · Provides guidance on methodologies, standards & project authorization

IMPLEMENTATION

Department of Environment and Climate Change (DNA) + Climate Change Division + Carbon Market Unit

Designated National Authority · Executes carbon market operations · Manages registry, credit authorization & ITMO transfers

OPERATIONS

Registry Operator + Bhutan Climate Fund Secretariat

Manages BNCR accounts, compliance, interoperability with UNFCCC registries · Collects CA fees



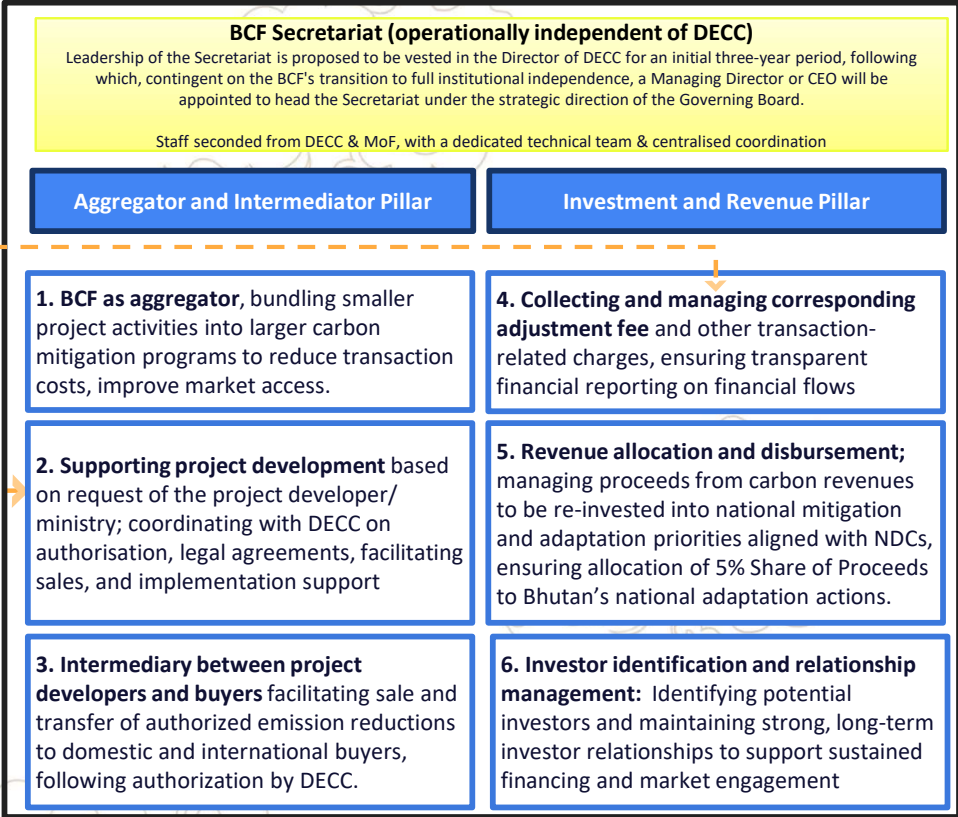
Based on Carbon Market Framework 2025

DECC CMU

- a. Article 6 Authorisation, Lol, LoA, Letter of Positive Examination
- b. CA approval
- c. MRV oversight and policy standards
- d. Eligibility and compliance review of mitigation activities
- e. UNFCCC and BTR reporting

After receiving approval/authorisation from DECC

Support on project development/ of MADD will be based on the CMF guidance



Advisory Panel

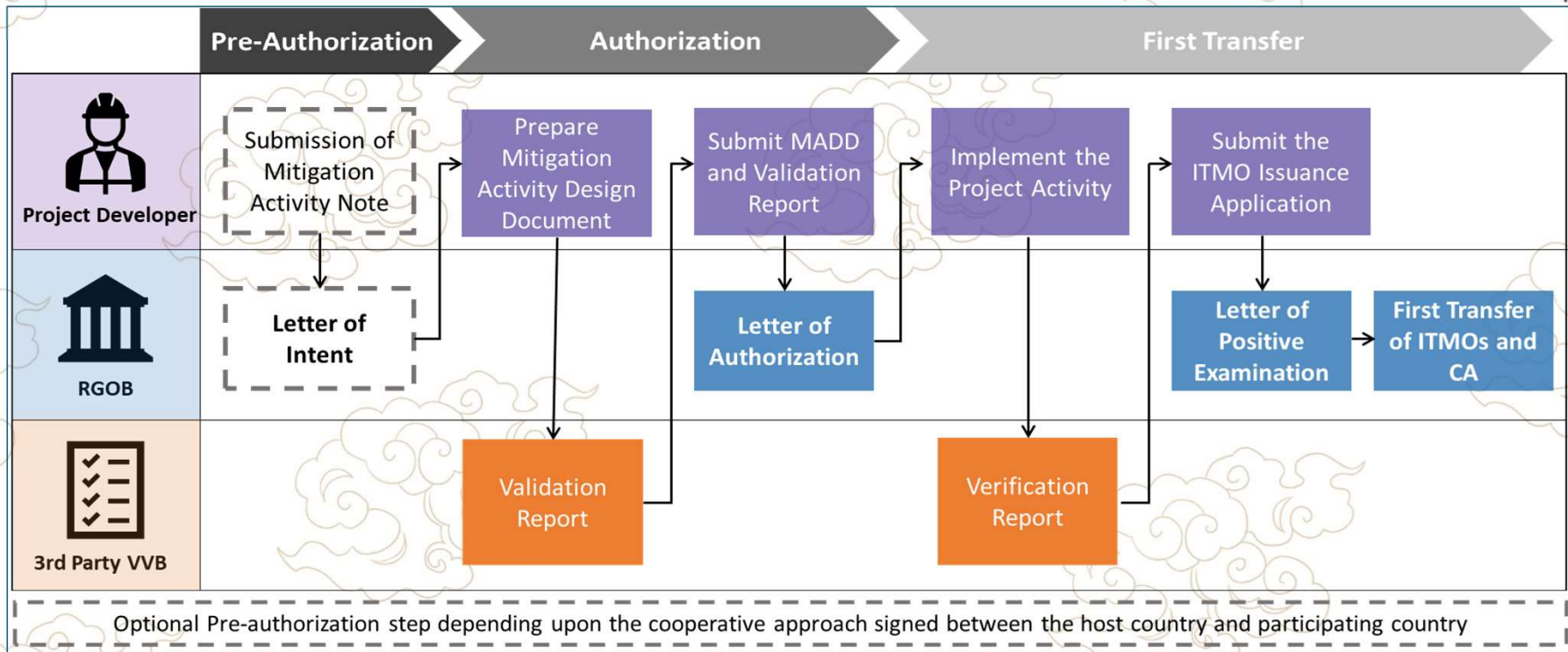
Provides strategic recommendations/ market intelligence- convened on a need basis (convened on a need basis)

- MDB partners
- Private sector investors
- International carbon market experts
- Representatives from other investor groups

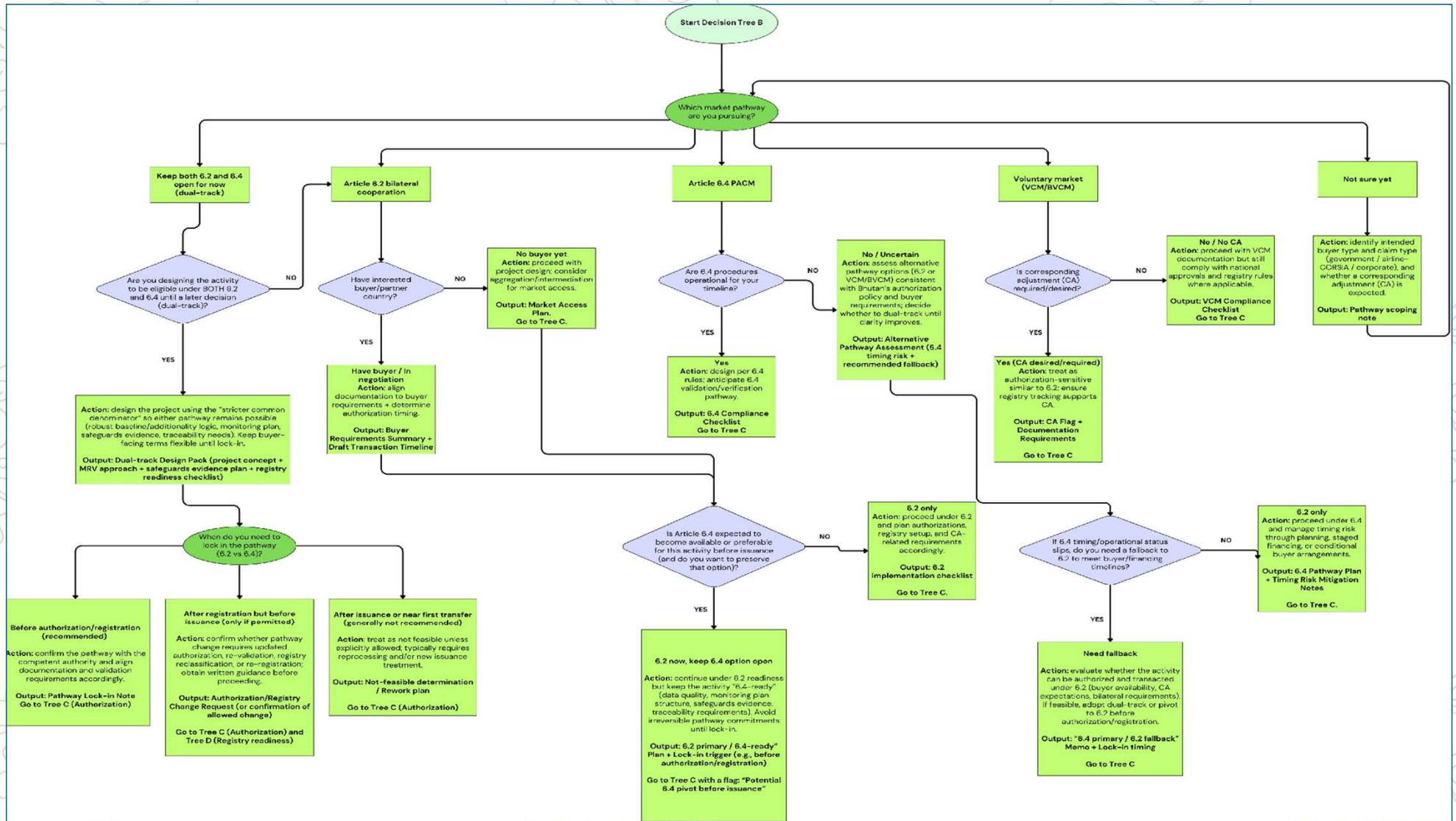
BCF as a one-stop shop for carbon market transactions in Bhutan

For first 3 years secretariat to be hosted within DECC and subsequently transitioned to independent entity

Authorization Process



- Clear institutional hierarchy prevents authorization bottlenecks.
- Tiered governance: NEC (policy) → C4 (advisory) → DECC/DNA (operations) → CMU (registry); distinct mandate and accountability.





ITMO Tracking Arrangements & Article 6 Reporting Requirements



1

Activity Registration on BNCR

CMU registers mitigation activity; ITMO parameters defined (metric, sector, NDC period) from the Registry of Origin

2

Issuance

BT-ERs (Bhutan Tradable Emissions Reductions) issued post-verification; quantity, vintage & serial tracked

3

Transfer & CA

First transfer triggers Corresponding Adjustment; registry debits BT-ERs from Bhutan's NDC account

4

Reporting to UNFCCC

BT-ER movements feed directly into Annual Information Reports (AIR) & initial reports under Art. 6.2

How to meet reporting requirements cost-effectively? – Blockchain Registry architecture with BT-ER movements auto-generate data

Transparency

1. Carbon Market Information Platform - carbonmarketsplatform.moenr.gov.bt (Transparent reporting of both Voluntary and Compliance Projects)
2. The Carbon Market Information Platform operationalizes CA commitments.
3. Real-time ITMO balance visibility through Blockchain registry (under development)

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Thank You and Tashi Delek