



Article 6.2 Ambition Dialogue: Institutional Foundations

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Key Observations from GGGI Implementation



Legal Structures and Registries

01

Establishing domestic institutional arrangements for participation and arrangements for tracking ITMOs?

Legal/regulatory frameworks for Article 6 are progressing well in most countries

- Laws/ decrees, designated governance bodies.
- Often leverage off CDM, where DNA sits
- Where there are challenges it can be a significant challenge to progress (interim measures for some)

Registries remain largely non-operational, MRV systems still in development for some sectors

- Country A: Registry 3 yrs in development, not complete
- Country B: tracking ITMOs in spreadsheet (legal requirement for national registry)
- Country C: planned phased approach – starting with IR, move to national

Balance the need (legal) and cost of a national registry against how many trades are expected to be completed (generating fee income) per year.

Key Observations from GGGI Implementation



Authorization

02

Key considerations have informed decisions on the authorization of ITMOs, and what types of data or information have been required to support these decisions?

What to authorize : MAC curves best to date but not sufficient. Project availability in some cases. Adaptation benefits potentially. NDC/National and Sectoral Priorities + Sustainable Development currently the strongest guides.

How much to authorize: Carbon budgets calculated for some. Potentially differing approaches – re: benefit sharing. Insufficient projects complying with all Art 6 criteria for this to be an issue yet?

- Countries must ensure they do not oversell vs. desire to authorize to bring much needed carbon finance to country and support private sector
- Projects : Historical tendency to overestimate future credit flows
- Authorization ex-ante of ITMOs risks locking in 'ghost ITMOs' (never appear)
- Risk being addressed through staged authorization – project/entity then ITMOs
- Reduces risk for any revocation on overselling. Finance providers may need comfort.

Key Observations from GGGI Implementation



Reporting

03

What approaches are being taken to meet reporting requirements and timelines under Article 6.2, and what challenges have been encountered in ensuring timely and accurate reporting?

Most countries have yet to complete authorizations but many are now looking at reporting alignment

- MRV a significant shortfall for many
- Registries (thus need for national registry) a key link for reporting
- The A6TER creating a fear to move too fast

Limited number of countries able to take a 'learning by doing' approach (exceptional regulation/ trade without law)

- Authorization procedures, corresponding adjustments, registry architecture, governance arrangements, and data management systems – all need to be in place to report
- Buyers have urgency, want proof host countries can report accurately, many have preference for standard alignment (their own, independent, UNFCCC). Reputational impact for host countries?

Most additional support needed here : Registry/Register, simulation transfers?, workable examples of different trade types and link to reporting. Timely reporting is easy if you know what to do.....



Thank You

“60 years of hurt...”