

Reflections on corresponding adjustments and sharing of mitigation benefits



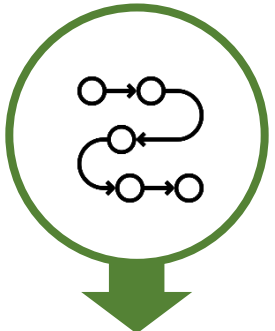
Paris Agreement Article 6
Implementation Partnership Center

Authorization arrangements



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

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



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

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



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

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

Key elements in an authorization framework

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

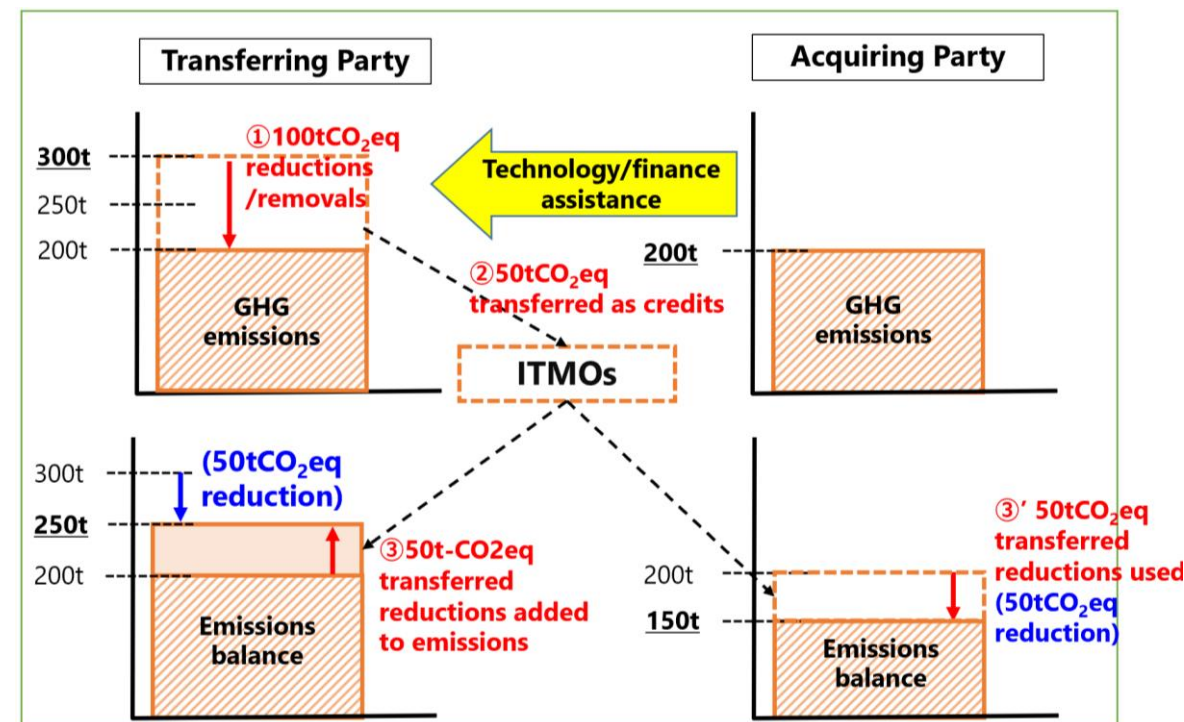
Primary legislation / Regulations	Subordinate legislation / Operational guidelines	Other documents
<ul style="list-style-type: none"> - Legal mandate and authority relating to authorization - High-level principles guiding authorization (Optional) 	Authorization criteria, terms and provisions	<ul style="list-style-type: none"> - Operational manual for officials - Manual/guidance for mitigation activity developers
	Procedures for application/request and review/approval of authorization	<ul style="list-style-type: none"> - Request form - Authorization form/template - Other forms and templates, as needed
	Other relevant procedures	
Mandate to put in place/manage ITMOs tracking arrangements	Functional requirements of a registry	Terms of reference for a registry
	Registry operational procedures	User manual
Reporting mandate, including avoidance of double counting	Procedures for reporting and applying corresponding adjustments	Explanatory documents
Legal authority to collect authorization fee/share of proceeds (if decided so)	Authorization fee/share of proceeds structure and collection procedures	Manual/guidance (referred to above)

Basics of corresponding adjustments (CAs)

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

CAs are applied by:

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



Source: Image from MOEJ, Japan

For ITMOs measured in tCO₂eq:

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

Corresponding adjustment methods

NDC	Single-year NDC		Multi-year NDC
Methods	Providing an indicative multi-year emissions trajectory, trajectories or budget that is consistent with NDC implementation	Calculating the average annual amount of ITMOs first transferred/used over the NDC period (Cumulative ITMOs divided by the number of elapsed years)	Calculating a multi-year emissions trajectory, trajectories or budget for its NDC implementation period that is consistent with the NDC
CA amount / timing	Annually apply CAs for the total amount of ITMOs first transferred/used for each year	Apply indicative CAs equal to this average amount for each year and apply CAs equal to this average amount in the NDC year	Annually apply CAs for the total amount of ITMOs first transferred/used each year and cumulatively at the end of the NDC implementation period
Image	<p>[Using Party] CA for amount of ITMOs used for each year</p> <p>[First Transferring Party] CA for amount of ITMOs first transferred for each year</p>	<p>[Using Party] CA for average amount of ITMOs used over the period</p> <p>[First Transferring Party] CA for average amount of ITMOs first transferred over the period</p>	<p>[Using Party] CA for amount of ITMOs used for each year</p> <p>[First Transferring Party] CA for amount of ITMOs first transferred for each year</p>
<p>— Target } Actual emissions ↓↑ CA □ ITMOs first transferred/used } Emissions after CA Indicative target } ↓↑ Indicative CA --- Averaged ITMOs transferred/used } (Emissions balance)</p>			

Country's selection of CA methods

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

References:

- 1 confirmed in the submitted initial report
- 2 from official documents

Observations on country's experience with CAs

- **Leading by examples:** Practical examples and practices on the ground could help demonstrate how corresponding adjustments could be implemented, while there is currently limited cases (e.g. Guyana's BTR1), more examples could be expected.
- **Internal coordination among experts:** Corresponding adjustments under Article 6 has close linkages with NDC accounting and Article 13. Coordination among different experts (NDC, Transparency and carbon market experts) in the country is necessary to ensure mutual understanding and promote robust accounting.
- **Early decision making:** Specification of the applied method of corresponding adjustment is required in the Article 6.2 initial report, it is therefore important for countries to make sure that the process to decide on the appropriate method is in place in the early step of implementation.



Key consideration for authorization

- 1 **Determine the scope of use of Article 6**

- 2 **Develop national authorization process**

- 3 **Develop authorization criteria/terms and provisions**

- 4 **Determine the accounting approach**

- 5 **Track and report on authorization**

- How the authorization ensures that the mitigation activity **contributions to the implementation of the country's NDC**
- How the authorization ensures that the transfer of mitigation outcomes **will not undermine the country's ability to achieve its own NDC**
- How the authorization **addresses elements required for Article 6 reporting**, including on, among others, environmental integrity and sustainable development

Authorization and NDC

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

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

How the Article 6.2 participation contributes to the NDC

(Examples from submitted initial reports)

Article 6 role and implementation

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

How Article 6 is used towards NDC

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

Examples of ITMOs authorization criteria: NDC and ambition

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

Sharing of mitigation results and other contributions

Approaches	Applied by (Example countries)
<ul style="list-style-type: none"> ○ Specify the total amount of ITMOs authorized to transfer in the authorization statement/letter of authorization 	Ghana, Vanuatu, Thailand, Guyana
<ul style="list-style-type: none"> ○ Require a share of mitigation outcomes to be reserved/levied for domestic use or other purposes 	Cambodia, Ghana
<ul style="list-style-type: none"> ○ Share of proceeds (<i>e.g. from trading of mitigation outcomes</i>) will be collected/allocated for specific purposes 	Ghana, Zimbabwe
<ul style="list-style-type: none"> ○ Request the project to set forth a fair allocation of mitigation outcomes (<i>Thailand: by considering investment contribution or other applicable agreements or rules</i>) 	Thailand
<ul style="list-style-type: none"> ○ Project participants to propose allocation of mitigation outcomes among project participants and the governments (<i>JCM: by taking into consideration their respective contribution to GHG emission reductions/removals by the project.</i>) 	Japan (JCM)

Case studies

Country	Approaches
Cambodia	<ul style="list-style-type: none"> ○ A share of the GHG ERs generated from the project must be reserved for domestic use. ○ The share of GHG ERs will be determined on a case-by-case basis. GHG ER project proponents must specify the share of GHG ERs to be reserved for domestic use in their request for authorization. ○ The government may claim ownership up to a maximum of 10% of emissions reduction units where it is explicitly stated that the government takes the lead. ○ All proceeds of the sales of the authorized GHG ERs corresponding to the share owned by the government shall be allocated to the Environmental and Social Fund.
Ghana	<ul style="list-style-type: none"> ○ Ghana shall reserve 1% of issued mitigation outcomes in the national buffer account to reduce the risk of overselling against the NDC target or contribute overall mitigation of global emissions. ○ Pre-agreed rates of share of proceeds are reserved as a contribution to adaptation.
Zimbabwe	<ul style="list-style-type: none"> ○ Share of proceeds from carbon credit trading shall be allocated to the beneficiaries as specified under Carbon Credits Trading (General) Regulations, 2023 (which includes e.g. local communities, investment in adaptation and mitigation projects, loss and damage relief fund)

References:

- Cambodia's Operations Manual for the Implementation of Article 6 of the Paris Agreement on Climate Change (2024)
- Ghana's framework on international carbon markets and non-market approaches (Dec. 2022)
- Zimbabwe's Carbon Credits Trading (General) Regulations, 2023.

A6IP Activities



Partnership Website
A6partnership.org

Outline

Based on the decisions on the detailed rules for implementing Article 6 at COP27, establish thematic working groups (WG) of **(1) authorization, (2) reporting, and (3) tracking**, necessary for the implementation of Article 6, and provide support for **capacity building (CB) and institutional arrangements**, mainly targeting government officials.

Activities

Thematic Working Groups ("WG")

1. Authorization

Support countries' authorization (capacity building to government officials, setting policies and guidelines, etc.)

2. Reporting

Support developing initial, annual, and regular reporting

3. Tracking

Support developing a national registry, utilizing international registry, or others

Information Platform

Article 6 updates:

Info on capacity building & related events

Resource sharing:

Case studies & good practices

Technical Assistance

Practical training: Workshops for mutual learning on WG themes

Technical assistance:

On methodology development

Private Sector Support

Networking, awareness, & advocacy:
Joint engagement across sectors & borders

Research & training:

Co-creating webinars, playbooks, & other assets for capacity building

79 Partner Countries and Region



Paris Agreement Article 6
Implementation Partnership

Asia	Eastern Europe and Central Asia	Europe	Latin America & the Caribbean	North Africa & the Middle East	Northern America	Oceania	Sub-Saharan Africa
16	8	14	11	5	3	6	16
Bangladesh Bhutan Brunei Cambodia India Lao PDR Maldives Mongolia Nepal Pakistan Philippines Singapore Sri Lanka Thailand Timor-Leste Vietnam	Armenia Azerbaijan Georgia Kazakhstan Kyrgyz Republic Moldova Ukraine Uzbekistan	Andorra Estonia Finland France Germany Greece Italy Iceland Norway Spain Sweden Switzerland UK European Union	Argentina Bahamas Barbados Belize Brazil Chile Costa Rica Cuba Dominican Republic Jamaica Peru	Jordan Morocco Saudi Arabia Tunisia UAE	Canada Mexico USA	Australia Fiji New Zealand Palau Papua New Guinea Vanuatu	Benin Botswana Burundi Côte d'Ivoire Ethiopia Ghana Kenya Namibia Nigeria Rwanda Senegal Sudan Togo Uganda Zambia Zimbabwe

Inclusive participation from many countries across each region

Thank you

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