

Article 6 Outlook

Caribbean Perspectives

2025



RCC Caribbean

Collaboration for Climate Action

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All queries should be addressed to:

Martin Rabbia: mrabbia@unfccc.int

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Table of Contents

01 INTRODUCTION	2
02 DOMESTIC FRAMEWORKS FOR ARTICLE 6 PARTICIPATION	6
03 COALITION BUILDING ON ARTICLE 6 AND CARBON MARKETS	10
04 ARTICLE 6.2 BILATERAL AGREEMENTS	12
05 ARTICLE 6 AUTHORIZATION OF MITIGATION OUTCOMES	14
06 ARTICLE 6 REGISTRIES AND TRACKING	17
07 CLIMATE AND CARBON FINANCE SYNERGIES	20
08 CORSIA	22
09 CARBON PRICING IN CARIBBEAN SIDS	26
10 ARTICLE 6.4 HOST PARTY PARTICIPATION REQUIREMENT FORMS	28
11 PRIOR CONSIDERATION NOTIFICATIONS FOR ARTICLE 6.4	29
12 CONCLUSION	30
REFERENCES	32

Abbreviations

A6.2	ARTICLE 6.2 OF THE PARIS AGREEMENT
A6.4	ARTICLE 6.4 OF THE PARIS AGREEMENT
A6.4ERS	ARTICLE 6.4 EMISSION REDUCTIONS
AERS	AUTHORIZED EMISSION REDUCTIONS
ARS	ADDITIONAL REGISTRY SERVICES
ART TREES	ARCHITECTURE FOR REDD+ TRANSACTIONS THE REDD+ ENVIRONMENTAL EXCELLENCE STANDARD
CIF	CLIMATE INVESTMENT FUNDS
CiACA	COLLABORATIVE INSTRUMENTS FOR AMBITIOUS CLIMATE ACTION
CMA	CONFERENCE OF THE PARTIES SERVING AS THE MEETING OF THE PARTIES TO THE PARIS AGREEMENT
CO2	CARBON DIOXIDE
CO2e	CARBON DIOXIDE EQUIVALENT
COP	CONFERENCE OF THE PARTIES
CORSIA	CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION
DNA	DESIGNATED NATIONAL AUTHORITY
ETS	EMISSIONS TRADING SYSTEM
GHG	GREENHOUSE GAS
HPPR	HOST PARTY PARTICIPATION REQUIREMENTS
ICAO	INTERNATIONAL CIVIL AVIATION ORGANIZATION
ITMO	INTERNATIONALLY TRANSFERRED MITIGATION OUTCOME
KYC	KNOW YOUR CUSTOMER
MRV	MEASUREMENT, REPORTING AND VERIFICATION
NDC	NATIONALLY DETERMINED CONTRIBUTION
NER	NATIONAL EMISSIONS REGISTRY
NFP	NATIONAL FOCAL POINT
OECS	ORGANISATION OF EASTERN CARIBBEAN STATES
OIMP	OTHER INTERNATIONAL MITIGATION PURPOSES
OMGE	OVERALL MITIGATION IN GLOBAL EMISSIONS
PACM	PARIS AGREEMENT CREDITING MECHANISM
PCN	PRIOR CONSIDERATION NOTIFICATION
PoA	PROGRAMME OF ACTIVITIES
RCC	REGIONAL COLLABORATION CENTRESIDS
REDD+	REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION
SIDS	SMALL ISLAND DEVELOPING STATESUNFCCC
SOP	SHARE OF PROCEEDS
TERT	TECHNICAL EXPERT REVIEW TEAM
UNFCCC	UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE
VCM	VOLUNTARY CARBON MARKET

Article 6 in the Caribbean at a Glance

01

Updated as of December 2025

Article 6 operationalization

Article 6 of the Paris Agreement provides the framework for international carbon market cooperation, but readiness in the Caribbean remains uneven.

4/16

Countries with regulations

7/16

NDCs 3.0 indicate intention to use A6.

5/16

Countries with operational or planned registries

Article 6.2

Article 6.2 establishes a tracking, accounting, and transparency framework that enables unilateral, bilateral, or plurilateral cooperation for the international transfer of mitigation outcomes.

2/16

Countries with A6.2 Bilateral agreements

2

Unilateral authorizations

2

Initial reports submitted

Article 6.4

Article 6.4 establishes the Paris Agreement Crediting Mechanism, a centralized system for generating high-integrity credits.

6/16

Designated National Authorities

1/16

Host Party Participation Forms

2

Prior consideration notifications

The UNFCCC Regional Collaboration Centres (RCCs) support climate action worldwide by helping countries implement the Paris Agreement. Since the agreement was adopted in 2015, the RCCs have served as regional hubs, providing technical assistance, fostering capacity building, and strengthening partnerships and networks to address the climate action needs of nations and communities. The RCC Caribbean is hosted in collaboration with the Windward Islands Research and Education Foundation (WINDREF) in Grenada. The centre supports sixteen countries in the Caribbean region: Antigua and Barbuda, the Bahamas, Barbados, Cuba, Dominica, the Dominican Republic, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Belize, Trinidad and Tobago, Guyana, and Suriname.



Figure 1: Caribbean countries supported by RCC Caribbean.

Article 6 of the Paris Agreement establishes a framework for international carbon market participation, encompassing cooperative approaches under Article 6.2 and the centralized Paris Agreement Crediting Mechanism (PACM) under Article 6.4. While Article 6.4 operates as a distinct, UN-supervised crediting mechanism, emission reductions issued under it may fall within the scope of Article 6.2 when they are authorized by the host Party for use towards achievement of nationally determined contributions (NDCs) and/or other international mitigation purposes (OIMP) as internationally transferred mitigation outcomes (ITMOs). Article 6.2 establishes a tracking, accounting and transparency framework, enabling unilateral, bilateral, or plurilateral cooperation, allowing Parties to design tailored arrangements for the generation and international transfer of mitigation outcomes, subject to agreed accounting, reporting, and transparency requirements.

In this sense, Article 6.4 establishes the PACM as a centralized international crediting mechanism operating under the authority of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), with standardized rules, methodologies, and oversight. By embedding common requirements for baseline setting, additionality, monitoring, verification, and accounting, the PACM safeguards environmental integrity, avoids double counting, and incorporates ambition raising elements, including mandatory cancellation to ensure an overall mitigation in global emissions (OMGE). For many Caribbean countries, for which implementing Article 6 entails significant administrative and procedural demands, this centralized architecture provides a credible pathway to participate in carbon markets under internationally recognized standards while reducing fragmentation, transaction costs, and administrative burden.

The operationalization of Article 6 is shifting from concept to immediate priority, as countries seek concrete pathways to translate climate commitments into action. Recent NDC submissions illustrate how Caribbean countries are positioning themselves with respect to cooperative and market-based approaches. As of December 2025, seven countries, namely Barbados, Belize, Cuba, the Bahamas, Jamaica, Saint Lucia, and Suriname, had submitted updated NDCs 3.0, with an implementation horizon and mitigation ambition through 2035. Saint Vincent and the Grenadines submitted an updated NDC 2.0 in 2025 with a 2030 target. Belize has also adopted a Long-Term Low Emissions Development Strategy to provide a longer-term framework for integrating market-based instruments.

Based on the most recently submitted NDCs (either 2.0 or 3.0), fourteen out of sixteen countries (87.5 percent) reference an intention to use Article 6 or market-based instruments, with Saint Vincent and the Grenadines and Trinidad and Tobago not explicitly mentioning Article 6. References to carbon markets and Article 6 are increasingly common across NDCs, though unevenly, reflecting differing levels of readiness and ambition. Suriname emphasizes the strategic role of Article 6.2, particularly the generation and international transfer of ITMOs, as a key instrument for mobilizing finance. This approach is supported by enabling legislation, established institutional and Measurement, Reporting and Verification (MRV) arrangements, a national carbon registry framework, and demonstrated readiness for internationally aligned mechanisms such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Jamaica and Belize have expressed intentions to implement Article 6 to support NDC delivery and address financing gaps. Cuba, on the other hand, has adopted a more cautious approach, limiting the use of Article 6 to mitigation outcomes not included in its NDC, particularly in the forestry sector.

Saint Lucia and Barbados reference Article 6 as a potential means to enhance cost efficiency and flexibility. The former adopts an exploratory approach to market-based instruments, while the latter places greater emphasis on integrity, transparency, and complementarity to avoid double counting.

Concrete progress toward implementation remains uneven. Some countries are advancing steadily through the adoption of regulations, the establishment of Designated National Authorities (DNAs), and the provision of guidance to potential activity participants on how carbon projects can move forward. Others remain at the stage of strategic assessment, exploring how Article 6 can complement domestic climate policies and support national targets. This variation underscores that readiness is shaped not only by political intent, but also by the governance and technical capacity required to participate effectively in carbon markets.

Readiness challenges are shaped by structural constraints and significant diversity among Caribbean countries. Most contribute negligible global emissions and face severe vulnerability to climate impacts, yet institutional capacities and policy frameworks differ widely. Some jurisdictions have made progress in defining domestic arrangements or initiating bilateral engagement, while others are still finalizing NDC updates or consolidating foundational climate governance. This has resulted in uneven progress toward key participation requirements under Article 6.4, including the nomination of DNAs and the completion of host party participation requirement (HPPR) forms. Even so, political momentum is growing. Recent regional declarations reaffirm collective interest in leveraging natural assets to advance credible carbon markets grounded in transparency and environmental integrity. These declarations also call for support to advance a regional carbon market (CARICOM, 2025). The endeavors of the OECS Alliance on Carbon Markets highlight the significance of sustained technical dialogue, strengthened institutions, and dedicated coordination (UNFCCC, 2025f). These political signals, along with support from the RCC, the Collaborative Instruments for Ambitious Climate Action (CiACA), and development partners, are strengthening institutional capacity and promoting greater alignment across the region.

In this context, programmatic and clustered models stand out as a powerful approach for the region. The scale of typical Caribbean mitigation opportunities is often too small to attract buyers or justify transaction costs when pursued individually. Regional and multi-

country Programmes of Activities (PoA) can address this constraint by grouping interventions related to energy efficiency, sustainable cooling, nature-based solutions, and other priority areas. Under the PACM, such programmatic approaches benefit from standardized methodologies, centralized oversight, and globally recognized quality benchmarks, making them particularly well suited for small scale and dispersed mitigation opportunities in the Caribbean. At the same time, registration of a PoA requires host Party approval and authorization of activity participants at the PoA level in accordance with the Article 6.4 activity cycle procedure. These approaches create efficiency, support harmonized standards, and reduce administrative burdens. They also encourage shared learning and strengthen the institutional infrastructure needed to engage in Article 6 on more favorable terms. As the region moves toward operational readiness, cooperative approaches represent more than an avenue to meet participation requirements. They offer a pathway to mobilize finance and accelerate progress toward NDC goals.

This report provides an outlook on the state of Article 6 in the Caribbean up to December 2025, examining institutional arrangements, participation requirements, domestic regulatory developments, and early experiences with bilateral cooperation. It also reviews emerging opportunities for programmatic and subregional approaches, summarizes recent developments, identifies gaps that may limit participation in 2026, and highlights areas where coordinated action can strengthen regional readiness.

2. Domestic Frameworks for Article 6 Participation

Countries adopt diverse approaches to regulating carbon markets, reflecting differences in institutional capacity and policy priorities. Although formal regulations are not strictly required for participation under Article 6 of the Paris Agreement, Parties must fulfill participation requirements under Articles 6.2 and 6.4 that depend on having domestic arrangements in place. At a minimum, participation under both approaches presupposes that a country is a Party to the Paris Agreement and has a current NDC in place, while additional requirements diverge according to the governance and procedural features specific to each approach.

Beyond these shared participation requirements, the specific participation requirements reflect each approach's unique governance features. Under Article 6.2, Parties must establish authorization arrangements for the use of ITMOs toward NDC achievement pursuant to Article 6, paragraph 3, put in place arrangements for tracking ITMOs consistent with CMA guidance, have submitted their most recent national inventory report, and demonstrate that participation supports NDC implementation, any long-term low emissions development strategies, and the long-term goals of the Paris Agreement. Under Article 6.4, Parties must designate a National Authority, explain how activities support sustainable development, and indicate eligible activity types and their contribution to the NDC, any long-term low emissions development strategy, and the goals of the Paris Agreement, with Parties optionally able to specify preferred baseline and methodological approaches and crediting periods. Activities registered under the PACM are subject to explicit sustainable development requirements, including stakeholder engagement, safeguards, and provisions for equitable benefit sharing in host countries. In this context, the PACM can reduce institutional complexity for host Parties by centralizing key crediting functions such as methodology approval, activity registration, issuance and a mechanism registry, while preserving national control over participation, approval and authorization decisions. This balance between multilateral standardization and national sovereignty enhances policy alignment with NDCs and long-term strategies while maintaining high integrity safeguards.

Translating these participation requirements into practice requires domestic frameworks that give effect to authorization, tracking, and oversight functions. For clarity, issued units under Article 6.4 will be referred to as “A6.4ERs”, including those not authorized for international use. A6.4ERs may either remain non-authorized and be used toward the Host Party’s NDC, or they may be authorized for use toward internationally accounted mitigation purposes. Only those A6.4ERs that are authorized for such use and subsequently first trans-

-ferred become ITMOs. In such cases, the PACM's architecture enables corresponding adjustments and transparent tracking across registries, strengthening accounting integrity. These built in accounting rules are designed to avoid double counting and streamline reporting through the Article 6 database and agreed electronic formats.

Beyond meeting these minimum conditions, domestic frameworks play an important role in signaling policy coherence, clarifying authorization procedures, and providing predictability for private stakeholders. These frameworks vary widely, from high level administrative guidelines to comprehensive legislation that integrates Article 6 cooperative approaches, voluntary carbon markets (VCMs), and domestic carbon pricing instruments. This diversity underscores that there is no single model. Some countries opt for flexible and rapid engagement, while others build detailed regulatory ecosystems to ensure transparency, manage overselling risks, and align crediting activities with NDCs and long term low emission development strategies (World Bank, 2025).



Cuba has adopted a comprehensive regulatory framework through Resolution 106/2025, which establishes the “Regulation for Carbon Market Activities.” This regulation applies to both voluntary and regulated markets and sets mandatory procedures for project approval, monitoring, and verification. It emphasizes principles such as additionality, permanence, transparency, and prohibition of double counting, while aligning all activities with Cuba’s NDC and the national climate strategy. The Ministry of Science, Technology and Environment acts as the DNA and oversees a technical unit responsible for project evaluation, MRV, and registry management. The regulation also prioritizes projects in renewable energy, industrial emissions reduction, ecosystem restoration, and waste management, and introduces a national control system for carbon transactions to ensure robust accounting and safeguard social and environmental integrity (Cuba, 2025).



Belize has advanced its carbon market governance through the development of the Climate Change and Carbon Market Initiatives Bill of 2025, which has progressed through key stages of the legislative process. The Bill establishes a comprehensive legal basis for carbon trading and seeks to integrate Article 6 cooperative approaches with domestic and VCMs. It proposes the creation and consolidation of institutional structures, including the Belize National Climate Change Council and the Climate Change Department, with mandates covering project approval, MRV systems, and the operation of a national registry intended to serve as the designated platform under Article 6. The Bill includes provisions on corresponding adjustments to prevent double counting, requirements for free, prior, and informed consent for land-based projects, benefit sharing arrangements, penalties for non-

compliance, and transitional treatment for grandfathered projects. By embedding carbon market operations within a broader climate governance framework, the proposed legislation aims to enhance transparency, attract investment, and align mitigation activities with Belize's NDC and sustainable development priorities (Belize, 2025).



The Bahamas has developed a layered regulatory architecture for carbon markets that begins with two laws enacted in 2022 and continues in 2023. The Climate Change and Carbon Market Initiatives Act of 2022 establishes an overarching framework for the domestic implementation of the Paris Agreement. It aligns national objectives with NDC commitments, creates institutional arrangements under the oversight of the Prime Minister, and codifies principles such as additionality, permanence, and the prohibition of double counting. The Act also establishes the National Emissions Registry (NER) as the DNA for Article 6 and outlines modalities for participation in bilateral, multilateral, and VCMs (Parliament of The Bahamas, 2022). Complementing this, the Carbon Credit Trading Act of 2022 regulates the financial and operational dimensions of carbon trading. It requires registration of carbon trading businesses, exchanges, and verification bodies with the Securities Commission, and sets rules on market integrity, investor protection, anti-money laundering compliance, and approval of carbon trading products that must adhere to the principles of the 2022 climate act (National Environment Commission of the Bahamas, 2022). Building on these foundations, the Carbon Markets and Greenhouse Gases Regulations of 2023 details procedures for carbon credit trading, cooperative approaches under Article 6, and voluntary market participation. The regulations mandate registration of management companies, issuance of permits for trading, and the application of corresponding adjustments to prevent double counting. They also establish rules for bilateral and multilateral agreements, define MRV and reporting obligations, and introduce mechanisms for withholding shares of proceeds (SOP) and OMGE. Additionally, the regulations create incentives for emission reduction initiatives, set penalties for non-compliance, and require the use of a national registry to track issuance, transfer, and retirement of credits, ensuring transparency and environmental integrity (The Prime Minister of the Bahamas, 2023).



Suriname has adopted a phased approach to operationalize Article 6 cooperative approaches through its National Guidelines on Carbon Credit Development and Trading. Phase 1 (2024–2026) establishes a guideline based operational framework for early implementation, while Phase 2 (2027 onwards) envisages the creation of a permanent institutional and legal architecture. During phase 1, the framework sets out procedures for authorizing ITMOs, tracking transactions through a national registry (ITMO.com), and applying corresponding adjustments consistent with CMA guidance. Suriname's strategy

by maintaining its status as a net carbon sink and implementing a zero forest reference level for Reducing Emissions from Deforestation and Forest Degradation (REDD+) activities. The guidelines detail benefit-sharing mechanisms, dispute resolution processes, and technical annexes covering authorization, registry operations, and adjustments. Phase 2 will establish a Market-based Climate Financing Authority and enact legislation to regulate carbon credit development and trading comprehensively (Suriname, 2024b).

In parallel, other countries in the region are at earlier stages of developing their Article 6 frameworks and are actively mobilizing technical and financial support to advance this work.



Jamaica, with support from the CiACA initiative, implemented by the UNFCCC secretariat through its RCCs, is launching a national process to establish the institutional and regulatory arrangements for Article 6 participation. This includes defining authorization procedures, setting up accounting and registry functions, assessing sectoral mitigation potential, and exploring carbon pricing options, while ensuring transparency, safeguards against overselling, and integration with domestic climate policies.



Dominica is pursuing a comprehensive enhancement of its NDC 3.0 and its implementation architecture, which includes detailed sectoral assessments, the design of an updated MRV system, and an explicit review of strategic options for Article 6 engagement. The country is seeking financial support to operationalize these efforts, including the development of an NDC implementation and investment plan, a climate finance strategy, and clear institutional roles for Article 6 oversight (NDCCP, 2025a).



Haiti expects to incorporate Article 6 considerations into its NDC 3.0 process, aiming to develop a national strategy that defines eligible mitigation activities, safeguards against overselling, and clarifies the relationship between government authorized ITMOs and non-authorized mitigation contribution units. By integrating stakeholder engagement, risk management, and capacity building, Haiti is laying the groundwork for future participation in carbon markets consistent with its revised NDC and long term climate objectives (NDCCP, 2025b).

3. Coalition Building on Article 6 and Carbon Markets

Momentum toward a coordinated Caribbean approach to carbon markets is accelerating, driven by shared priorities and the recognition that collective action can unlock opportunities that individual countries cannot achieve alone. This dynamic was evident during the regional workshop “Strategic Pathways for Small Island States in International Carbon Markets: Exploring Opportunities and Trade-offs”, held in Saint Lucia from 21 to 23 October 2025. The event convened representatives from Eastern Caribbean States, Belize, The Bahamas, and Jamaica, alongside development partners and technical institutions, under the leadership of the German Agency for International Cooperation (GIZ), the Organisation of Eastern Caribbean States (OECS) Commission, and the UNFCCC RCC Caribbean. Discussions focused on strategic options for engaging in international carbon markets under Article 6 of the Paris Agreement, emphasizing transparency, environmental integrity, and alignment with national development priorities.

The workshop was built on the OECS Council of Ministers’ Environmental Sustainability decision to endorse the creation of a Caribbean Alliance on Carbon Markets and Climate Finance at its eleventh meeting in 2024. This Alliance reflects a growing consensus among Caribbean countries to leverage carbon markets as a tool for sustainable development and climate ambition. The Council’s guidance calls for a regional Article 6 strategy that includes implementing an intra-OECS PoA and promoting the generation and transfer of ITMOs. These efforts align with CARICOM’s commitment to mobilize carbon finance through credible market mechanisms grounded in transparency and accountability (CARICOM, 2025).

Participants explored how Article 6 can advance national climate and development objectives while addressing the structural challenges faced by Small Islands Developing States (SIDS), particularly the difficulty of achieving scale in mitigation activities. Collective action through regional PoAs emerged as a key solution. By bundling micro and small-scale projects, such as energy efficiency and cooling, into aggregated programmes, PoAs can reduce transaction costs, unlock economies of scale, and support common NDC priorities across the region. Saint Lucia’s decision to join the regional cooling initiative alongside Grenada illustrates how sectoral collaboration can translate into tangible mitigation outcomes.

The discussions also examined both seller and buyer perspectives. On the seller side, The Bahamas presented its progress in establishing legal and institutional frameworks to authorize ITMOs and operationalize its NER, positioning itself as a host country for high-integrity mitigation activities. On the buyer side, engagements with entities such as the KliK

Foundation, the European Union, and the Eastern Caribbean Civil Aviation Authority provided insights into buyer expectations, integrity standards, and project types most likely to attract demand.

The meeting concluded with broad agreement on the need to maintain momentum through continued technical dialogue, strengthened institutional capacity, and political engagement. Participants welcomed further collaboration with regional and international partners to advance a coordinated Caribbean approach to carbon markets consistent with sustainable development priorities. As part of these efforts, the Alliance is exploring the possibility of embedding a coordinator within the OECS Commission to steer regional activities and ensure alignment across Member States.

Article 6.2 of the Paris Agreement provides the framework for voluntary cooperative approaches that allow Parties to work together on NDC implementation through the transfer of ITMOs. These arrangements follow agreed accounting and transparency rules to ensure environmental integrity and prevent double counting. Participation requires a communicated NDC, a recent national inventory report, and evidence that cooperation supports both NDC achievement and the long-term goals of the Paris Agreement. ITMOs must reflect real, verified, and additional emission reductions or removals generated from 2021 onward and must be authorized for use toward NDCs or other international mitigation purposes. Reduction and removal credits issued under the Article 6.4 mechanism can also be used as ITMOs when formally authorized and first transferred (Decision 2/CMA.3, 2021). This framework supports bilateral and plurilateral cooperation, providing the legal and operational basis for carbon trading while upholding transparency, environmental integrity, and sustainable development (Decision 6/CMA.4, 2022). In the Caribbean, the conclusion of bilateral agreements represents an important step, but participating countries must still submit an initial report under Article 6.2 and fulfill applicable reporting requirements before the first transfer of ITMOs take place.



The Dominican Republic has established two partnerships under Article 6. First, the Memorandum of Understanding (MoU) signed with Singapore in June 2023 establishes a framework for collaboration on Article 6.2. The MoU aims to enable pilot projects that generate mitigation outcomes and may be transacted as ITMOs, while fostering technology exchange, investment, and job creation in the green economy. It emphasizes sustainable development and environmental integrity, supporting both countries' NDC targets and serving as an initial step toward operationalizing cooperative approaches under Article 6 (Singapore, 2023). Second, the Dominican Republic and Sweden have advanced from an MoU signed in 2022 to a legally binding bilateral agreement finalized in 2025. This agreement enables Sweden to finance mitigation activities in the Dominican Republic that reduce greenhouse gas emissions and contribute to sustainable development. It establishes governance mechanisms for authorizing, transferring, and reporting ITMOs, ensures corresponding adjustments to avoid double counting, and incorporates MRV standards. The agreement also prioritizes capacity building and institutional strengthening. The next phase will focus on developing projects that preserve forest cover and deliver measurable emission reductions, reinforcing the Dominican Republic's leadership in Article 6 implementation (Ministerio de Medio Ambiente y Recursos Naturales de República Dominicana, 2025; Sweden-Dominican Republic, 2022; Swedish Energy Agency, 2025).



Dominica and Switzerland have reached a bilateral agreement under Article 6 of the Paris Agreement. Signed in 2021, the agreement establishes a legal framework for authorizing, transferring, and reporting ITMOs to support the achievement of NDCs and other mitigation purposes. It incorporates provisions to ensure environmental integrity, transparency, and sustainable development, including corresponding adjustments to prevent double counting. Mitigation activities must be real, verified, additional, and aligned with long-term low-emission strategies, while excluding nuclear energy and fossil fuel lock-in (Switzerland-Dominica, 2021). A flagship initiative under this agreement, entitled Green Finance for E-Mobility, aims to transform Dominica's transport sector by deploying electric vehicles powered by geothermal and solar energy. The project introduces an innovative business model where revenues from ITMO sales reduce leasing costs for electric vehicles, making them competitive with combustion vehicles. It also supports decentralized charging infrastructure and offers loans through the National Credit Cooperative of Dominica. By complementing Dominica's NDC, which targets 100 percent renewable electricity by 2030, the activity raises national ambition and delivers co-benefits such as improved air quality and reduced health risks. Initial capitalization from the Green Climate Fund strengthens financial viability, positioning Dominica as a regional leader in sustainable mobility and cooperative approaches under Article 6 (Klik, 2025).

5. Article 6 authorization of mitigation outcomes 14

Authorization is the formal act by which a participating Party permits the international use of mitigation outcomes, as required under Article 6.3 of the Paris Agreement. Once first transferred, a mitigation outcome is tracked, reported, and accounted for as an ITMO, which is subject to transparent tracking and corresponding adjustments to avoid double counting. Parties must establish arrangements for authorizing cooperative approaches, ITMO use for NDCs or other international mitigation purposes, and the entities involved.

Under Article 6.2, an initial report must be submitted no later than authorization of ITMOs or where practical (in the view of the participating Party) in conjunction with the next Biennial Transparency Report (BTR) due pursuant to decision 18/CMA.1 for the period of NDC implementation (Decision 2/CMA.3, 2021; Annex, paragraph 18; Decision 4/CMA.6, 2024). Authorizations must specify the cooperative approach, ITMO metrics, applicable uses, entities, and conditions for changes, and be recorded in the centralized accounting and reporting platform for transparency. Parties may revise or withdraw authorizations before the first transfer of ITMOs, and post-transfer changes are limited as defined in Decision 4/CMA.6. Some jurisdictions may issue unilateral authorizations for mitigation outcomes to be used toward other international mitigation purposes (OIMP), even when a counterparty has not yet been identified, provided robust accounting safeguards are applied.

Under Article 6.4, host party approval confirms sustainable development alignment and activity eligibility, followed by the authorization of activity participants and, where applicable, a statement of authorization at issuance specifying whether A6.4ERs are fully, partially, or not authorized for international use, at the discretion of the host Party. Authorization may occur before or after issuance for mitigation contribution units, but it must be reported before the first transfer and triggers corresponding adjustments (UNFCCC, 2025b). Once A6.4ERs are authorized for use toward an NDC or for OIMP, they are distinguished as authorized emission reductions (AERs) and, upon first transfer, become ITMOs, and therefore fall under the guidance applicable to Article 6.2. Where A6.4ERs are not authorized, they remain mitigation contribution units, which do not require reporting or corresponding adjustments and may be used for a range of other purposes, inter alia, for results-based climate finance, domestic mitigation pricing schemes or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the host Party (Decision 7/CMA.4, 2022; paragraph 29b). Under the PACM, the sovereign decisions to approve and authorize are embedded in a multilateral framework that (i) affirms host-party ownership over eligibility, approval, and authorization, and (ii) adds standardized integrity safeguards (e.g., baseline and additionality requirements) and automatic ambition elements, including mandatory cancellation for OMGE and emphasizes environmental

integrity and SOP arrangements. This combination strengthens national policy alignment while contributing to global objectives and buyer confidence.



Suriname issued its Letter of Authorization under Article 6.2, approving the use of mitigation outcomes verified under Article 5.2 and posted on the UNFCCC REDD+ Information Hub (Suriname, 2024a). The authorization allows these outcomes to be used toward the NDC of another Party or for other international mitigation purposes. A total of 4,839,390 tons of CO₂ equivalent from 2021 are eligible for transfer, with corresponding adjustments applied and tracked through Suriname's national registry. The cooperative approach spans 2021 to 2030 and includes a second phase based on a zero-forest reference level, recognizing Suriname's status as a net carbon sink. For the application of corresponding adjustments, Suriname applies the average annual amount method, as defined in Decision 2/CMA.3, Annex, paragraph 7(a)(ii), by calculating the cumulative amount of ITMOs first transferred and used over the NDC implementation period, dividing this amount by the number of elapsed years in that period, and annually applying indicative corresponding adjustments equal to this average amount, with corresponding adjustments applied in the NDC year (Suriname, 2025a, p. 21).



Guyana submitted its Initial Report and issued a Host Country Letter of Assurance and Authorization approving its jurisdictional REDD+ programme under ART TREES for 2021 (Guyana, 2024a, 2024b). Through this Letter of Approval and Authorization (LOAA), Guyana authorized up to 7,144,362 tons of CO₂ equivalent for use toward NDCs, international mitigation purposes including CORSIA, and voluntary markets, while committing to apply corresponding adjustments and report these transparently through its BTRs (Guyana, 2024b). ICAO has since confirmed that 4.64 million of these units qualify for CORSIA Phase 1 compliance, marking the first instance of REDD+ credits authorized under Article 6 being used (ICAO, 2024). Building on this initial authorization, Guyana later approved 8,732,929 tons of CO₂ equivalent for the 2022 vintage through a second LOAA that establishes an irrevocable authorization valid until 31 December 2035. The letter reiterates the commitment to apply the corresponding adjustments and to not use these emission reductions toward its own NDC (Guyana, 2025). Guyana applies corresponding adjustments on a single year basis throughout the NDC implementation period for verified ART TREES credits, subject to an annual cap of 21 MtCO₂e. The Article 6 Technical Expert Review Team (TERT) provided recommendations to further clarify reporting and methodological approaches (Guyana, 2024a; TERT, 2025).

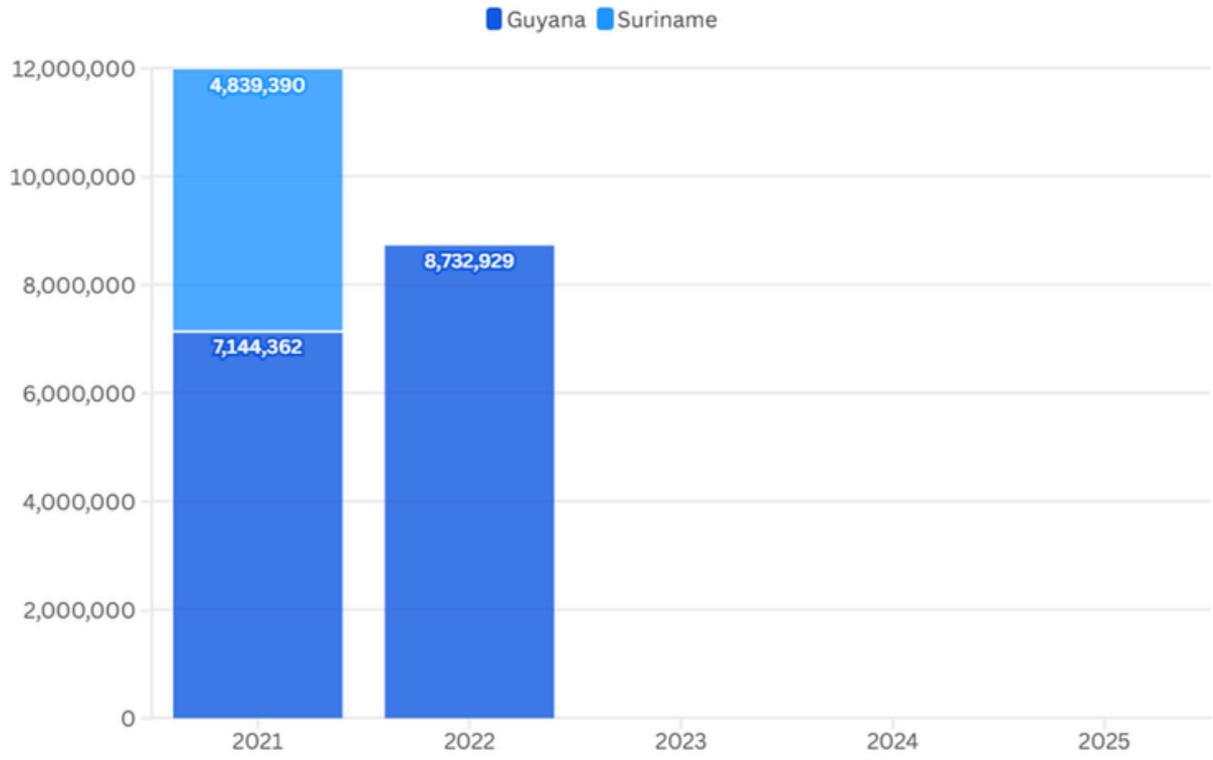


Figure 2: Authorized tons of CO₂e.

Effective tracking of carbon credits is central to the success of Article 6 and the credibility of international carbon markets. Both Article 6.2 and 6.4 require robust tracking of mitigation outcomes to ensure transparency and avoid double counting, but the scope and complexity differ.

Under Article 6.2, Parties must track ITMOs through a registry that records issuance, transfers, and corresponding adjustments (Decision 6/CMA.4, 2022; Annex I, para. 1). Parties may either use the UNFCCC international registry or opt for having access to a domestically developed or third-party system. The UNFCCC international registry provides a standardized, low cost and fully interoperable solution, whereas national or third-party registries allow greater customization but require higher technical capacity and resources. The international registry comprises two functionally connected components: the international registry itself, which records ITMOs after first transfer, and the Additional Registry Services (ARS), which record and manage mitigation outcomes prior to first transfer, including issuance and preparation of relevant information. This architecture allow mitigation outcomes to be stored before authorization or first transfer (Decision 4/CMA.6, 2024; para. 50). These arrangements reflect strategic trade-offs between national ownership, implementation speed, and operational complexity, while remaining central to meeting Article 6 transparency and double counting requirements and enabling participation in cooperative approaches (World Bank, 2025). Some countries also adopt hybrid models that pair national accounting functions with external transaction registries. Guyana illustrates this approach by using the ART TREES registry for issuance and transfers while developing a national system for corresponding adjustments.

Under Article 6.4, the mechanism registry, mandated by Decision 3/CMA.3 and further elaborated in Decision 7/CMA.4, tracks A6.4ERs issued under the PACM. The registry is hosted and administered by the secretariat and, as of December 2025, is operating through an interim solution pending full deployment. The registry provides integrated tracking and reporting functions, including unique identifiers and automatic prefilling of reporting information, reducing the risk of double counting and easing reporting burdens for participating Parties. A6.4ERs are issued as mitigation outcomes and may remain as mitigation contribution units for domestic use where the host Party decides at issuance not to authorize them, or to defer authorization. Upon authorization and first transfer, they are tracked and recorded as ITMOs and can be used in the mechanism registry or transferred to the international registry or a connected Party registry. The registry maintains integrity through unique identifiers and ensures interoperability with the Article 6.2 international registry once the first transfer occurs (Decision 6/CMA.4, 2022; paras. 10–15). The mechan-

-ism registry enables, for each participating Party, the automatic prefilling of the agreed electronic format and of other quantitative information requirements pursuant to chapter IV (Reporting) of the annex to decision 2/CMA.3 in relation to authorized A6.4ERs and the creation of records of ITMOs in the accounts of the international registry so as to enable tracking pursuant to chapter VI.A (Tracking) of the annex to decision 2/CMA.3.

Both registries operate through standardized electronic databases with separate account sections for each participating Party, alongside administrative sections managed by the secretariat. Identity verification procedures, including Know Your Customer (KYC) requirements, apply to Parties and authorized entities seeking registry access.

Some countries have enshrined the use of national registries for tracking ITMOs in their legislation.  **The Bahamas** stands out for its detailed framework, as evidenced by the enactment of the Climate Change and Carbon Market Initiatives Act (2022) and the subsequent establishment of the NER in 2023. The NER serves as the primary platform for the implementation of Article 6, underscoring the nation's commitment to addressing climate change through regulatory measures. The NER is entrusted with the responsibility of issuing, transferring, canceling, and retiring mitigation outcomes, implementing the requisite adjustments, and maintaining accounts for OMGE and SOP deductions. Additionally, it maintains records of permits for participation in emissions-reduction initiatives, bilateral cooperation arrangements, and voluntary market activities. The NDC 3.0 underscores this role, characterizing the NER as pivotal to the tracking of mitigation actions, the monitoring of progress, and the provision of information regarding future policy updates (The Bahamas, 2025).  **Cuba's** regulation introduces a centralized administrative control system that registers projects and credits with unique identifiers, tracks transfers and cancellations, and requires annual reporting to prevent double counting (Cuba, 2025).  **Belize** goes a step further by establishing a National Registry System that is explicitly designated as the Article 6 platform for recording emissions reduction units, authorization permits, and all credit transactions. The Chief Climate Change Officer serves as the system's registrar, and the system incorporates the necessary adjustments according to CMA guidance (Belize, 2025).

A few countries have detailed how they will track ITMOs in their Article 6 initial reports.  **Guyana** explains that all of its ITMOs currently originate from its REDD+ programme and are issued under the Architecture for REDD+ Transactions (ART) TREES Registry, with independent verification ensuring adherence to UNFCCC guidance. While the ART TREES registry serves as the primary tracking system, Guyana is also developing a national carbon

registry designed to integrate with global platforms and future REDD+ mechanisms, ensuring interoperability and preventing double counting (Guyana, 2024a). Conversely,  **Suriname**, has already made a national registry accessible through ITMO.com, which fulfills CMA requirements for tracking and recording ITMO transactions. Its comprehensive national guidelines set out governance structures, unique serial numbering, and public accessibility, while planning for a dedicated Market-based Climate Financing Authority to oversee registry operations and integrate sectoral registries into a unified system (Suriname, 2025a).

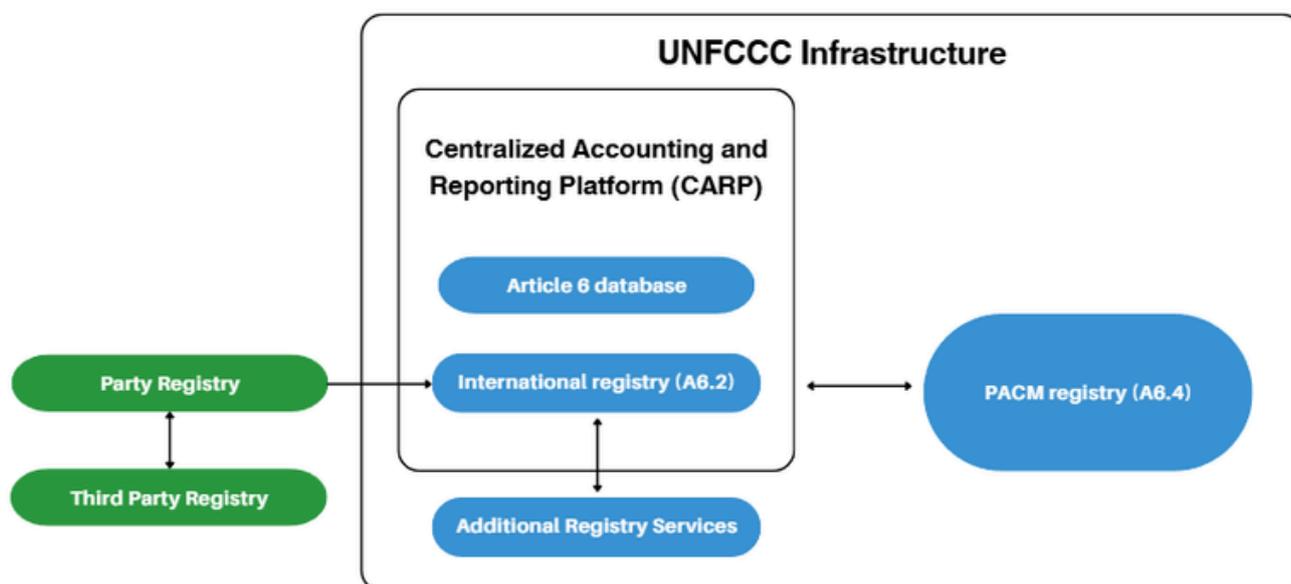


Figure 3: UNFCCC Article 6 infrastructure and (possible) connections with Party and Third-Party registries

7. Climate and carbon finance synergies under Article 6

Climate finance and carbon finance are two complementary pillars under the Paris Agreement. Climate finance uses concessional loans, grants, guarantees, and equity to reduce risk and unlock low-carbon investments, while carbon finance provides performance-based payments for verified emission reductions, creating market signals for cost efficiency (CPF/TCAF, 2019). Neither stream alone is sufficient: Climate finance cannot mobilize the trillions needed for a 1.5°C pathway, and carbon markets cannot always provide upfront capital or de-risk investments (Jon Strand, 2023). Integrating the two can drive large-scale, transformational mitigation. Blended approaches strengthen additionality by ensuring carbon market outcomes are not fully subsidized, while climate finance eases credit constraints and enables projects that would otherwise remain unviable.



In the Caribbean, **the Dominican Republic** provides a compelling case of how carbon market integration can anchor a coal transition strategy. Its Accelerating Coal Transition Investment Plan mobilizes approximately USD 1.232 billion for coal phase-out and renewable energy deployment by combining concessional climate finance from the Climate Investment Funds with co-financing from multilateral development banks and private investors. Carbon market integration is embedded in the financial structure through two dedicated windows. The first window supports coal transition credits using a price guarantee mechanism that monetizes avoided emissions from early coal retirement, reducing market risk and incentivizing plant owners. The second window provides concessional loans or guarantees to cover the incremental costs of renewable energy and storage assets and the decommissioning of coal plants, ensuring financial viability. The plan also includes capacity building to develop a national regulatory framework for participation in international carbon markets under Article 6. By retiring 312 megawatts of coal capacity by 2035 and replacing it with solar, wind, and battery storage systems, the Dominican Republic demonstrates how climate finance and carbon finance can work together to deliver systemic change and create a scalable model for coal transition in the Caribbean (CIF, 2025).

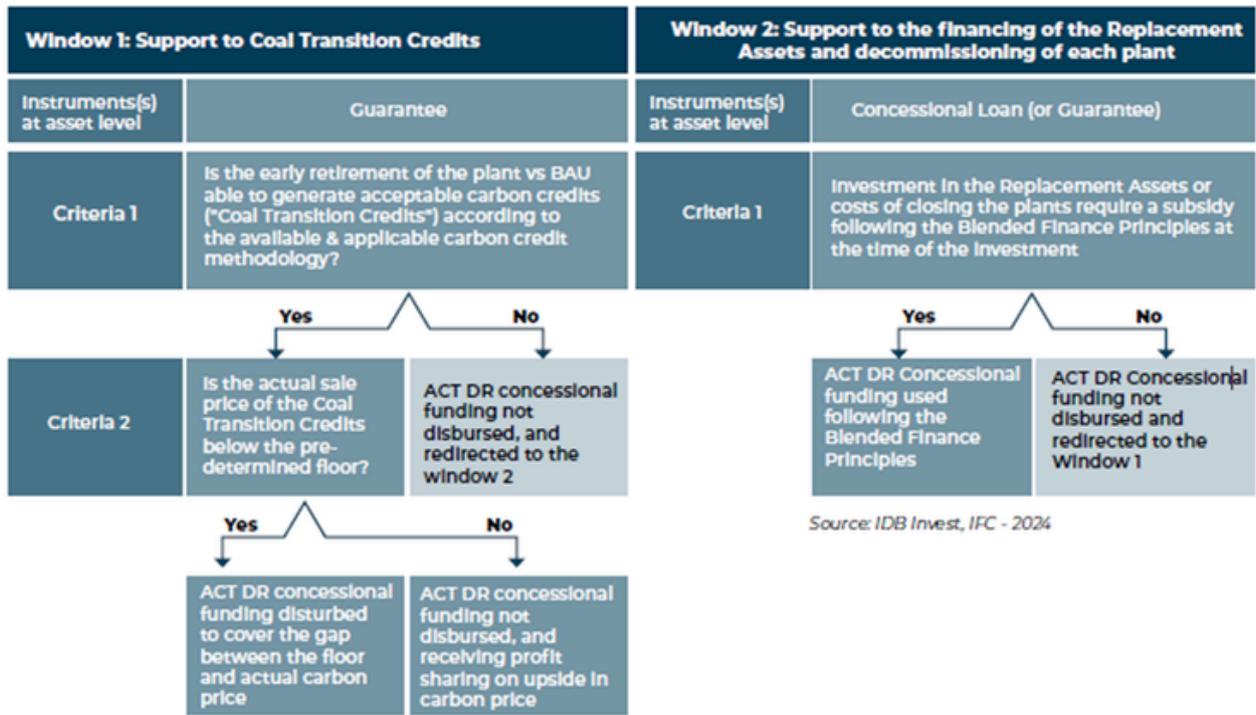


Figure 4: Flowchart of infrastructure project financing windows (CIF, 2025, p. 134)

8. Carbon Offsetting and Reduction Scheme for International Aviation

CORSIA is a global market-based measure designed to address CO₂ emissions from international aviation. Established by the International Civil Aviation Organization (ICAO) Assembly in 2016, CORSIA complements other decarbonization efforts by requiring airplane operators to purchase and cancel eligible emissions units to offset growth in emissions above a defined baseline. Eligibility is limited to emissions units issued by programmes approved by the ICAO Council for specified CORSIA compliance periods, including units issued under the PACM, as well as selected units from the Architecture for REDD+ Transactions and approved independent crediting standards such as the Verified Carbon Standard and Gold Standard. In all cases, eligibility is subject to programme specific scope restrictions, eligible unit dates, and post-2021 host country authorization and corresponding adjustment requirements (ICAO, 2025c).

Assembly Resolution A39-3 stipulates that emissions units generated from mechanisms established under the UNFCCC and the Paris Agreement shall be eligible for use in CORSIA, provided they align with decisions by the ICAO Council, with the technical contribution of Technical Advisory Body (TAB) and the Committee on Aviation Environmental Protection (CAEP), including on avoiding double counting and on eligible vintage and timeframe. This principle was reaffirmed in Assembly Resolution A41-22, ensuring consistency between CORSIA and global climate frameworks (IATA, 2024). Against this backdrop, ICAO and the Supervisory Body of the Paris Agreement Crediting Mechanism (PACM SBM) are exchanging information to support coherent implementation and safeguard environmental integrity.

CORSIA is implemented through a phased approach, starting with the pilot phase (2021–2023), followed by the first phase (2024–2026), and then the second phase (2027–2035), which will apply to most international flights except those exempted under ICAO rules. In this context, the PACM SBM emphasizes, in its communication, the importance of reciprocal information sharing on CORSIA implementation, with a particular focus on planning for Phase 2, strengthening systems to prevent double counting and ensure accounting integrity, and identifying potential supply and capacity constraints that could affect compliance. These areas are critical for safeguarding environmental integrity and supporting the effective participation of all states in the global aviation decarbonization effort (SBM, 2025).

During the 42nd Assembly, 192 Member States united behind ICAO's ambitions of achieving net-zero carbon emissions (ICAO, 2025f). Discussions further acknowledged that decisions on the future of CORSIA after 2035 will be informed by the special review scheduled for completion by the end of 2032, as set out in the Assembly resolution. While no formal exten-

-sion can be considered before that review, Member States' engagement with this issue reflects continued confidence in CORSIA's place within aviation's long-term decarbonization strategy (ICAO, 2025a).

In 2025, 128 States submitted their 2024 CO₂ emissions through the CORSIA Central Registry, representing the highest number of reporting States to date. The reported 2024 CO₂ emissions totalled approximately 597 million tonnes, reflecting a 12.6% increase compared to 2023 levels. On 31 October 2025, ICAO has published Amendments to the ICAO document "CORSIA Annual Sector's Growth Factor (SGF)". This positive value means that by 30 November 2025, civil aviation authorities (CAAs) will need to determine and inform their attributed airplane operators of the volume of emissions they must offset for their 2024 international flights (ICAO, 2025d). States must notify each airplane operator of its offsetting obligations by November 30 of the year after the emissions year (e.g., 2024 obligations in 2025). By November 30, 2027, states will be responsible for providing the offsetting requirement for 2026 and the total final obligation covering the full 2024–2026 compliance period (ICAO, 2023). By 31 January 2028, airplane operators must cancel an equivalent amount of eligible CORSIA units to meet their offsetting obligations for the first phase (IATA, 2024). This will mark the conclusion of the initial compliance cycle.

As of 2027, the second phase of CORSIA will apply to all international flights, including those that did not participate in the earlier phases, except for flights to or from states that meet one of two criteria: (i) LDCs, SIDS and Landlocked Developing Countries, or (ii) states that account for less than 0.5 percent of total Revenue Tonne Kilometers from international aviation in 2018. Exempted states may choose to join the scheme at the beginning of any year by notifying ICAO (IATA, 2024). This provision is particularly relevant for Caribbean SIDS. Despite being exempt, sixteen Caribbean states have volunteered to participate in CORSIA, meaning flights between these states fall under the offsetting requirements. These states are Antigua and Barbuda, the Bahamas, Barbados, Belize, Cuba, Commonwealth of Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago (ICAO, 2025e).

Accordingly, airplane operators in the Caribbean are required to monitor, report, and offset CO₂ emissions from international flights between States participating in CORSIA, in line with ICAO standards. The region has a diverse set of operators across multiple states, reflecting its active engagement in global aviation decarbonization. Notably, the following Caribbean airplane operators are subject to CORSIA MRV applicability: two in the Bahamas, one in Cuba, five in the Dominican Republic and one in Trinidad and Tobago.

Figure 4 shows the total 2024 annual aggregated CO₂ emissions (in tons) of Caribbean airplane operators for all state pairs subject to offsetting requirements. Operators are anonymized and identified by country-specific labels (e.g., DR-OP 1, BAH-OP 2), which refer to distinct operators within each State. These figures reflect reported emissions only and do not represent final offsetting obligations. Under CORSIA, offsetting requirements are calculated at the operator level by applying the sectoral growth factor to eligible emissions above the applicable baseline. Data submitted by one operator in Trinidad and Tobago and one in the Dominican Republic were identified as confidential and are therefore not included in the graph (ICAO, 2025b).

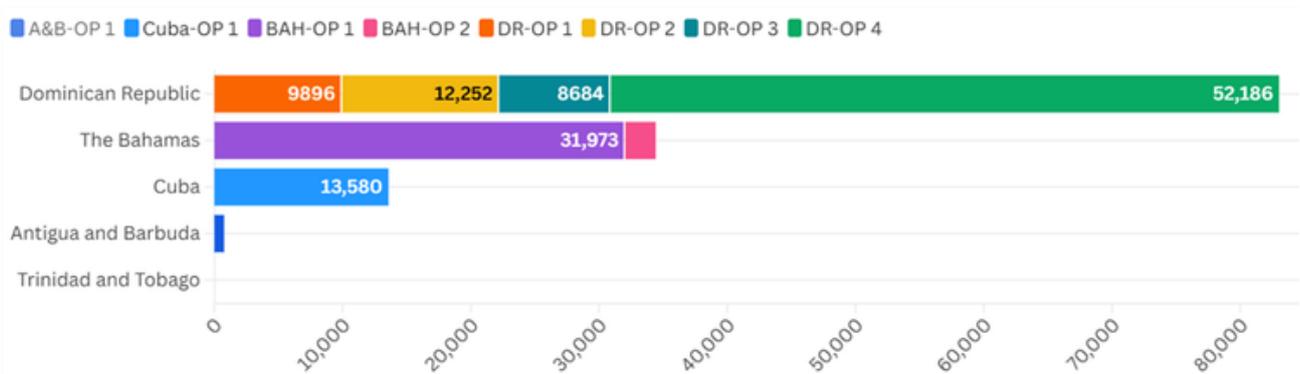


Figure 5: Total 2024 annual aggregated CO₂ emissions (in tons) for all state pairs subject to offsetting requirements.

Some Caribbean countries are framing the use of ITMOs beyond NDC achievement. This is evident in recent Letters of Authorization from Guyana and Suriname, which authorize the use of emission reductions for NDC purposes, for international mitigation purposes including CORSIA, and for other international uses such as voluntary markets in line with Decision 2/CMA.3 (Guyana, 2025; Suriname, 2024a). Suriname's NDC 3.0 further signals readiness by developing a national registry to track carbon assets, including ITMOs, while The Bahamas emphasizes Article 6 cooperative approaches targeting Party buyers and other international uses, including corporate and Assembly Resolution A39-3 philanthropic demand (Suriname, 2025b; The Bahamas, 2025). This does not imply that other Caribbean countries are not considering similar provisions, since several are still in the process of preparing or publishing their NDCs 3.0.

These patterns suggest that Caribbean states are preparing to play an active role in the aviation sector's decarbonization efforts. Several Caribbean operators will be requested to offset at the end of the CORSIA compliance period as their total emissions subject to offsetting for the 3 years will exceed 3000 tons (ICAO, 2023). Many states have volunteered to participate in CORSIA despite qualifying for exemptions. References to other international

mitigation uses are also becoming more common in NDCs and Letters of Authorization, signaling growing interest in engaging with aviation ITMO demand. Guyana's authorization and the confirmation of credits eligible for CORSIA Phase 1 compliance show that the region can supply units to CORSIA (Guyana, 2024a, 2024b; ICAO, 2024). With demand for eligible credits expected to increase as CORSIA advances toward 2030, continued progress in building Article 6 infrastructure is likely to strengthen the region's opportunity to use ITMOs for other international mitigation purposes (MSCI, 2025).

SIDS are particularly vulnerable to the adverse effects of climate change, including rising sea levels, extreme weather events, and economic instability, despite their relatively minor contribution to global emissions. The economies of these countries are characterized by small scale, high dependence on imported fuels, and limited institutional capacity. This combination of factors complicates the replication of conventional carbon pricing models. As highlighted during the Regional Dialogue on Carbon Pricing (REDiCAP) for SIDS, convened under the CiACA initiative in 2025, the strategic benefits of carbon pricing extend beyond mitigation, encompassing the mobilization of adaptation finance, the enhancement of governance, and the transmission of a long-term commitment to low-carbon development. The range of options under discussion includes the implementation of modest levies earmarked for the purpose of coastal protection, the introduction of sector-specific charges in the tourism and transport sectors, and the adoption of hybrid approaches that integrate domestic pricing mechanisms with the access to international carbon markets as outlined under Article 6 of the Paris Agreement. Article 6 is of particular pertinence in this regard, as it facilitates the channeling of international demand for mitigation outcomes by SIDS, while concurrently fostering the development of MRV and registry systems (UNFCCC, 2025e).



The Dominican Republic illustrates how SIDS can adopt carbon pricing through incremental steps tailored to political and institutional realities. Supported by the CiACA initiative, the country has pursued a phased approach toward an emissions trading system (ETS) rather than a carbon tax, which was deemed politically sensitive. Since 2017, the project has advanced from initial consultations and option assessments to the development of a roadmap and the piloting of ETS design through simulation exercises. The proposed ETS targets electricity generation and cement production, applying thresholds of 20,000 tons of CO₂e annually for power plants and covering all clinker and cement producers. Key design features include free allocation of permits, offsetting up to 50% of compliance obligations, and annual emissions reporting under a newly established MRV system. Framed as a mechanism to align with NDC commitments, the ETS could evolve into a cap consistent with national emissions limits (UNFCCC-CiACA, 2025). Looking ahead, next steps include finalizing the ETS design through stakeholder consultations, adopting enabling legislation, and building institutional capacity for governance and compliance. Establishing robust MRV and registry systems, training regulated entities, and launching a pilot phase by 2027 will be critical milestones (Carbon Pulse, 2025a). This experience underscores the importance of stakeholder engagement, sequencing reforms, and leveraging international support to build technical capacity, critical steps for SIDS seeking to integrate carbon pricing into broader climate and development strategies.



Jamaica is preparing to advance carbon pricing as part of its broader climate strategy, supported by the CiACA initiative and RCC Caribbean. The upcoming technical assistance will focus on developing a National Strategy for Article 6 and Carbon Pricing, positioning these instruments as key enablers for NDC 3.0 implementation. The study will assess readiness for carbon pricing, identify priority sectors such as energy and transport, and outline phased pathways for introducing instruments such as carbon taxes or emissions trading systems. It will also define principles for price setting, revenue use for resilience, and safeguards to prevent carbon leakage. A critical component will be aligning domestic carbon pricing with Article 6 cooperative approaches, enabling Jamaica to monetize mitigation outcomes through internationally transferred credits while strengthening MRV and registry systems. This process includes stakeholder consultations, legal and institutional reforms, and capacity-building activities to ensure national ownership and operational readiness.



Suriname is at an exploratory stage in considering carbon pricing, reflecting both its carbon-negative status and its reliance on forests as carbon sinks. The country is undertaking EU-supported analyses under the Task Force for International Carbon Pricing and Markets Diplomacy to assess the feasibility of introducing carbon taxation alongside complementary crediting mechanisms. This work has placed particular emphasis on monitoring, reporting, and verification systems as a foundational prerequisite for any tax or market-based approach. Government officials have indicated strong interest in a CO₂ tax as part of Suriname's Green Development Strategy 2025–2050, with potential implementation contingent on technical and administrative readiness (Carbon Pulse, 2025b).

10. Article 6.4 Host Party Participation Requirement forms

Before participating in the PACM, each Host Party must fulfill the responsibilities established in the Rules, Modalities, and Procedures adopted in Decisions 3/CMA.3, 7/CMA.4, and 6/CMA.6. These responsibilities are further detailed in the Supervisory Body's Activity Cycle Procedure as explained in section 2 above, on Domestic Frameworks for Article 6 Participation. These responsibilities are operationalized through the submission of the HPPR Form, which formalizes a Party's readiness to engage under Article 6.4. Submission of the form is contingent upon the prior nomination of a DNA, which serves as the institutional gateway for engagement under Article 6.4 and the sole entity authorized to submit the HPPR Form through the UNFCCC interface. Without a nominated DNA, submission of the form is not possible. In the Caribbean, as of December 2025, only six countries have formally nominated a DNA for the Article 6.4 mechanism, while the remaining ten countries have yet to complete this foundational step, making DNA nomination a significant bottleneck to Article 6.4 readiness in the region. All required and optional information submitted through the form is published on the [UNFCCC website](#) to ensure transparency and provide clarity to activity participants (UNFCCC, 2025b, 2025c).



The Dominican Republic has completed the HPPR Form, confirming its readiness to engage under the Article 6.4 mechanism. The country is a Party to the Paris Agreement, maintains an NDC, and has designated the National Council for Climate Change and Carbon Market as its DNA. Its submission emphasizes that participation in Article 6.4 will advance sustainable development by promoting projects that reduce greenhouse gas emissions while delivering social and economic benefits, such as job creation and poverty reduction. The Dominican Republic identifies renewable energy initiatives (solar, wind, small-scale hydro), energy efficiency programmes, waste-to-energy and methane capture projects, climate-smart agriculture, reforestation, mangrove restoration, and sustainable transport systems as priority activity types. These projects are expected to contribute directly to achieving NDC targets, strengthening long-term low-emission development strategies, and supporting the Paris Agreement's goals. The country also highlights the importance of technology transfer, international financing, and private sector engagement to maximize benefits and ensure compliance with environmental and social safeguards (Dominican Republic, 2025).

11. Prior consideration notifications for Article 6.4 ²⁹

Under the PACM, activity participants must demonstrate that the mechanism's benefits were considered necessary in the decision to implement the proposed activity by submitting a prior consideration notification to the UNFCCC secretariat through a dedicated interface before registration (UNFCCC, 2025d). For projects, this notification must be submitted within 180 days of the project start date and include at minimum the project title, names of activity participants, location, description of technologies or measures, applied methodology if known, start date, crediting period type and duration, and estimated annual greenhouse gas reductions or removals (UNFCCC, 2025b; section 4.2). For PoAs, the notification must include the PoA title, names of activity participants, host Party(ies), description of typical component projects, start date and duration of the PoA period, methodology if known, and indicative maximum annual emission reductions or removals expected during the PoA lifetime (UNFCCC, 2025a; section 4.2). Upon confirmation of completeness, the secretariat assigns a unique reference number, publishes the notification on the UNFCCC website, and informs the host Party, which may indicate no objection to proceeding with registration (UNFCCC, 2025a, 2025b).

As of December 2025, two prior consideration notifications (PCNs) have been submitted by activity proponents in two Caribbean countries. In the Dominican Republic, the “Ammadol Bio – Waste to Value” project, which involves thermophilic biodigesters with ammonia recovery units using biological and biohazardous waste from poultry and livestock to produce biogas, green energy, and organic fertilizers. The project was communicated to have a start date of 1 December 2024, with a fixed crediting period of 10 years commencing on 1 January 2026 and an expected annual reduction of approximately 150,000 tCO₂e (Dominican Republic, 2024).

In Jamaica, the “Midnightsun PV Solar Park”, an 80.3 MWDC/50 MWAC solar plant in Trelawny, is designed to displace fossil fuel-based electricity generation. The project was communicated to have a start date of 18 March 2025, with a renewable crediting period of 5 years (renewable up to twice), starting on 1 January 2027, and an expected annual reduction of 78,879 tCO₂e (Jamaica, 2025).

12. Conclusion: Strategic opportunities and recommendations

As Caribbean states prepare for operational engagement under Article 6 of the Paris Agreement and carbon markets more broadly, the coming years will be decisive for determining how carbon markets can support NDC implementation. Interest in carbon markets is rising, yet readiness remains uneven, and many countries continue to assess how potential opportunities align with existing institutional capacity and policy direction. A clear, staged roadmap facilitates translating interest into workable implementation pathways. Progression from near-term preparation toward longer-term operationalization provides a structured sequence for policy development and technical readiness. This includes short-term steps to prepare countries for participation beginning in 2026, followed by longer-term work to strengthen governance and establish credibility as carbon market participants by 2030. Participation remains voluntary, and each country should make decisions based on its own priorities, capacities, and long-term climate objectives. For countries seeking a multilateral pathway with strong integrity safeguards, ambition raising elements, and reduced institutional complexity, the PACM offers a credible option to support NDC implementation while contributing to OMGE.

In the shorter term, the priority is to decide whether and how to engage in carbon markets while building the minimum institutional elements needed to participate.

The central task is to determine whether participation in carbon markets aligns with national interests. This requires a structured assessment of potential benefits that include access to finance, technology, and development co-benefits, along with risks such as overselling and heightened scrutiny from buyers. For those opting to engage, early investments in domestic arrangements will be essential. Priority actions include clarifying authorization procedures, assigning institutional roles, and developing MRV and registry functions that can operate in a transparent manner. Countries should also complete participation requirements under Article 6.4, including the HPPR Form and the national articulation of how engagement contributes to sustainable development. Clear communication with stakeholders will also be important, particularly to set realistic expectations about what types of activities can move forward given that new projects may face delays or limitations in the absence of approved methodologies. Since the Article 6.4 mechanism can only rely on methodologies that are already approved unless new submissions are adopted in the next cycle, early screening can help determine which concepts are technically feasible in the short term.

Over the longer term, the focus shifts to operationalizing the institutional and technical architecture required for Article 6 participation and consolidating credibility as a host country. This includes the effective functioning of DNAs, the adoption of clear authorization procedures for mitigation outcomes, the establishment of national

carbon market frameworks, and the development of national registries or interoperable systems to track mitigation outcomes and apply corresponding adjustments in line with CMA guidance. These arrangements underpin decision-making on authorization, accounting, and reporting, and provide the governance foundation needed to ensure environmental integrity and transparency. Building on this institutional base, regional collaboration will play a vital role in addressing structural constraints that limit scale in the Caribbean, as PoA can group small or dispersed interventions into viable portfolios, reduce transaction costs, and leverage shared institutional platforms to compensate for limited national administrative capacity. Opportunities in cooling, energy efficiency, distributed renewables, and nature-based solutions can be advanced more effectively through such shared approaches. Within this expanding operational landscape, countries may adopt measures to protect environmental integrity and limit overselling, including conservative baselines, eligibility lists, opportunity cost pricing, and approaches that allow for partial authorization, all of which depend on robust domestic authorization frameworks and institutional oversight. Blending carbon finance with climate finance can create space for transformational investments in renewable energy, resilient infrastructure, and other priority sectors, particularly where concessional capital can de-risk early activity design and carbon revenues can support long-term operation. Preparing for demand from CORSIA and voluntary markets will require clear eligibility pathways, adherence to recognized quality standards, and early dialogue with buyers, supported by credible institutional arrangements that give confidence in authorization, accounting, and governance processes.

By 2030, countries that choose to participate in carbon markets can position themselves as suppliers of high-quality mitigation outcomes that reflect strong governance and environmental integrity. The region's natural assets, institutional cooperation, and growing technical capacity provide a solid foundation to attract investment and accelerate progress toward national and regional climate goals. Achieving this vision will require early decisions, steady institutional development, and continued commitment to transparency and national ownership. With these elements in place, carbon markets can reinforce climate ambition and deliver tangible benefits for sustainable development across the Caribbean. By offering predictable rules, strong UNFCCC governance, and high integrity standards, the PACM can help attract private sector participation and mobilize finance toward mitigation activities aligned with national priorities in developing countries.

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