

United Nations
Climate Change



RCC MENA and South Asia
Collaboration for Climate Action



DAY 3

Operationalising

Article 6

SESSIONS



**Leveraging the
Article 6 :
Institutional
Engagement
and Basic
Requirements**



**Exploring
Article 6.4 -
Framework and
Opportunities**



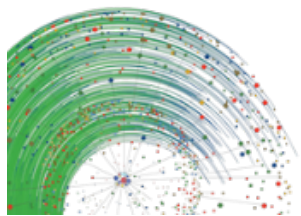
**Roles,
Responsibilities
and
Participation
Requirements**



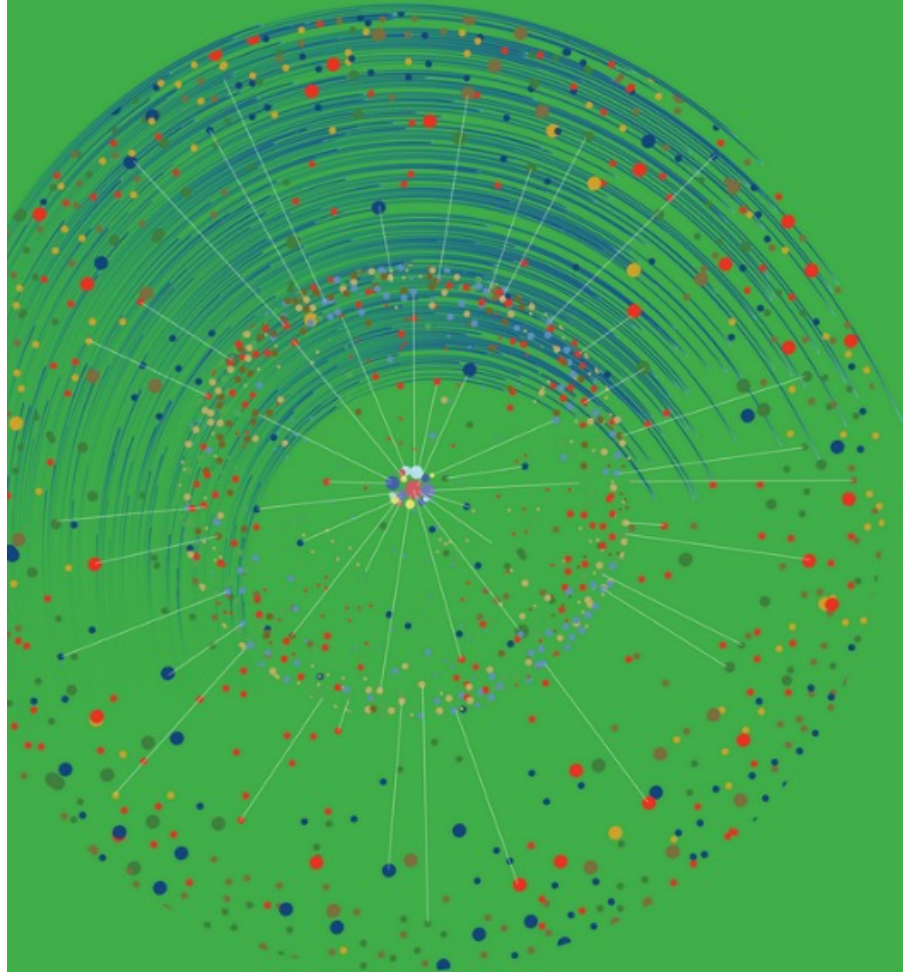
**Digital
Solutions to
operationalise
A6 : Market
infrastructure**



***Country
Presentations
and
Discussions***



DAY 3 : Operationalising Article 6



Session 1



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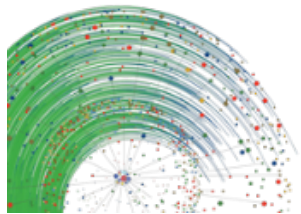


Leveraging the Article 6 : Institutional Engagement and Basic Requirements

Mr. Umamaheswaran Krishnan
Article 6 and Carbon Pricing Regional Expert
RCC MENA & South Asia

Governments Engagement with Carbon Markets

- Governments can engage with carbon markets in a variety of ways: **as regulators, activity proponents, or facilitators.**
- Responsibilities include:
 - Designing regulations that ensure that projects align with national priorities and observe appropriate safeguards.
 - Possibly directly implement or finance programs or project activities (e.g through Public agencies)
 - put in place incentives that attract carbon investments, thereby also focusing on directing investments into priority sectors.



Article 6 Readiness

National Strategy



- Political Mandate.
- Objective and type of A6 Cooperation.
- Guiding Principles.
- Eligibility criteria.
- **Eligible Sectors/Activities?**
- Conditions for authorization?
- For which uses will authorization be granted?

A detailed and public country-level Strategy will likely provide confidence and clarity to donor countries and institutions, project developers, sectoral ministries, government agencies, and the private sector.



Manage Opportunities and Risks

- Identify how Article 6 supports the NDC and the LT-LEDS.
- Define criteria and conditions for authorizations and manage risks.
- Activities and Sectors.
- Quantity of Mitigation Outcomes that are transferable.



Meet A6.2 and A6.4 participation requirements.

- Governance system and responsible institutions.
- Procedures for approving, authorizing, transferring, accounting, and reporting.
- Continuous update of National Inventories.
- Update and quantification of NDC targets. Infrastructure for ITMO registry.



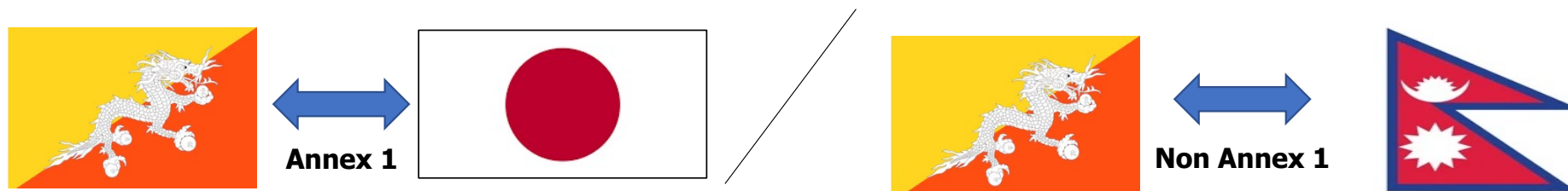
Integration with other carbon pricing instruments.

- Linkage with domestic approaches.
- Linkage with other international mechanisms.
- Implications of exporting mitigation outcomes.



'Institutional Arrangements for Article 6.2

1. Bilateral Agreements between two countries



2. **Electronic Registry** in place to manage ITMOs (ensure transparency)

3. Arrangements in place for ITMOs, towards achievement of NDCs

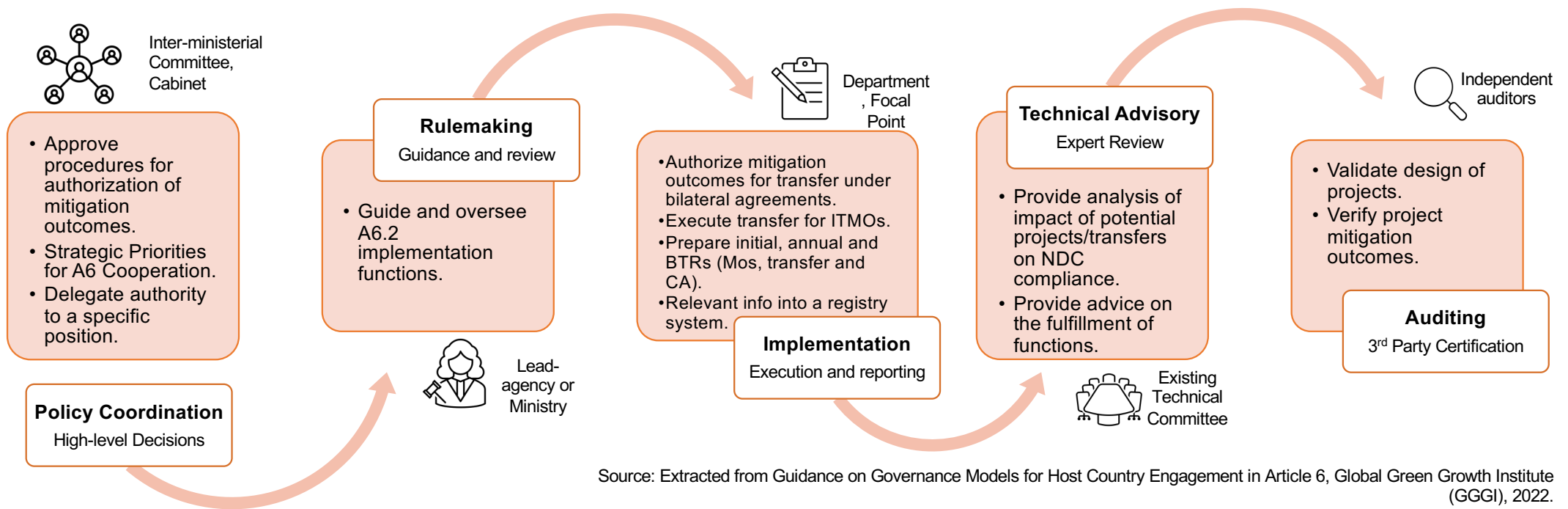
- **Authorize** : **Governance Body** (*Institution, Official Or Position, to issue ITMOs*)
- **Track** : Electronic medium / **Registry** to track the ITMOs, ensuring the Art 13 of the PA
- **Report** : Initial Report to **Annual Report** to Biennial Report

4. Governed under NDC commitments and transparency ensured through CARP (Centralized accounting and reporting platform)



Key Institutional Functions in A6.2 Engagement

Host countries will need to designate government institutions to perform specific functions related to Article 6.2



NDA – National Designated Agency



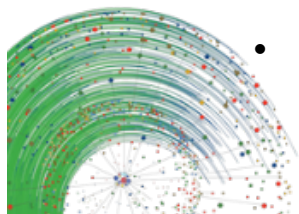
Institutional Functions in A6.4 Engagement

Article 6.4 DNA - Designation of National Authorities

1. **Art 6.4 DNA** mandatory by Host Party to participate
2. Establishment of Art 6.4 DNA Decision 3/CMP.3

The prioritization of preferred Art 6.4 activities may conclude on a defined strategy that ensures activities go beyond NDC targets and may respond to:

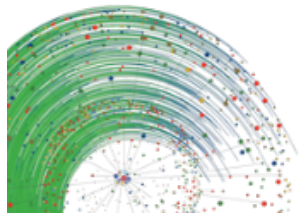
- Which **sectors** will be targeted?
- Which **types** of activities are preferable in these sectors?
- Evaluate the potential of quantification of the Mitigation measures => engage in easy measurable activities
- Evaluate the cost/effort to distribute Mitigation Outcomes use:
e.g. High cost/effort => ITMOs / Low cost/effort => NDC



Governance Functions under Article 6

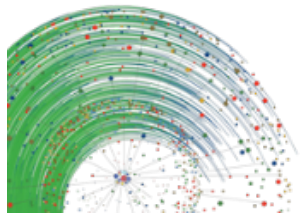
- Functions required for the host country
- Allocation of functions to new or existing bodies
- Building on existing institutions and reporting structures can leverage capacity, minimize costs, and draw on existing relationships.
- Coordination between related ministries/agencies is important – overarching coordinating and decision-making bodies on domestic climate policy (NDC updates, reporting under enhanced transparency framework, etc.)

Functions	Decision body	Executive body	Administrator	Technical Committee
Policy coordination and oversight	●	●	●	●
Rulemaking	●	●	●	●
Technical advisory	●	●	●	●
Implementation	●	●	●	●



Strategy & Opportunities for Private Sector

- **Opportunity for the Private Sector** Financing higher-cost mitigation measures & generate sustainable development co-benefits as part of social and environmental contribution.
- This strategy will also support:
 - Sectoral ministries, government agencies and the private sector (**Integrated Approach**)
 - Understanding the medium and long-term objectives.
 - Establish overall objectives that will guide participation, such as the number of Mitigation Outcomes that the government intends to transfer.
- **Mitigation Activities implementation** are closely related to the Art 6 Framework & Strategies



Private Sector Engagement in A 6.2 and 6.4

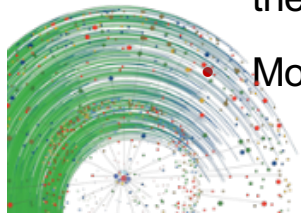
Art 6 – **Voluntary Cooperation between two Parties / Countries**

Cooperation = **Mitigation** in certain sectors aiming **emissions reductions**

Positive List of Projects

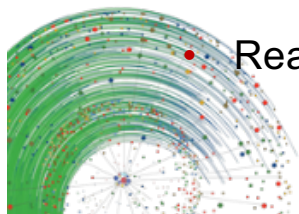
Private Sector

- Private sector **accelerate** efforts in developing Mitigation Actions specific to NDC targets
- Private sector tackle climate change issues and reaffirm **net-zero commitments** and usage of **Carbon credits** by ensuring **integrity**
- Identify sectors aiming country objectives, available resources and experience
- Development of projects
 - Ghana Case study: Country decided to engage unilateral approaches with the private sector as part of their **voluntary cooperation** through **Public Private Partnerships**
 - Morocco Case study: Identifies **Cement industry** as one of focused sector – EE and Fuel Switch activities

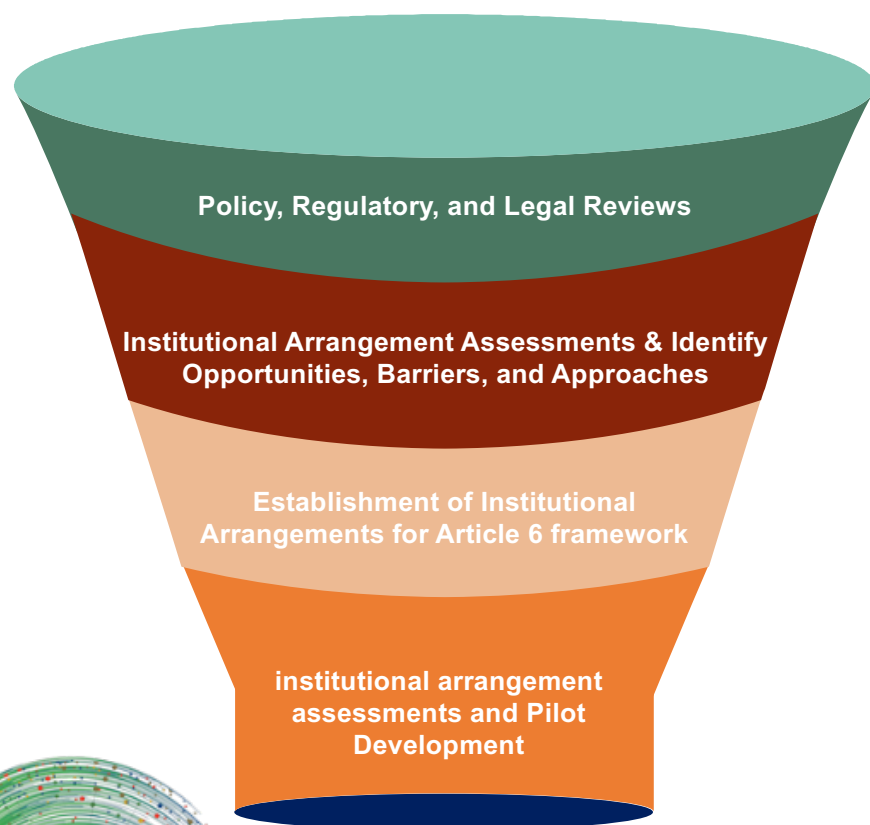


Key Institutional Functions in A6.2 Engagement

- Develop strategies for implementing NDC targets (current and future), integrating Article 6 into NDCs
- Identify relevant institutions, legal mandates, roles, responsibilities, and obligations under carbon markets.
- Oversee Article 6-related activities through the establishment of National Authorities (NDA, DNA), coordinating with relevant institutions and ministries
- Evaluate CDM experience, domestic carbon pricing, carbon markets, and compliance with Article 6 provisions
- Define legal mandates, roles, responsibilities, and obligations under carbon markets
- Roll out institutional arrangements: well-defined institutional setup for effectively operationalizing Article 6
- Readiness and engagement with various stakeholders for potential Article 6 activities



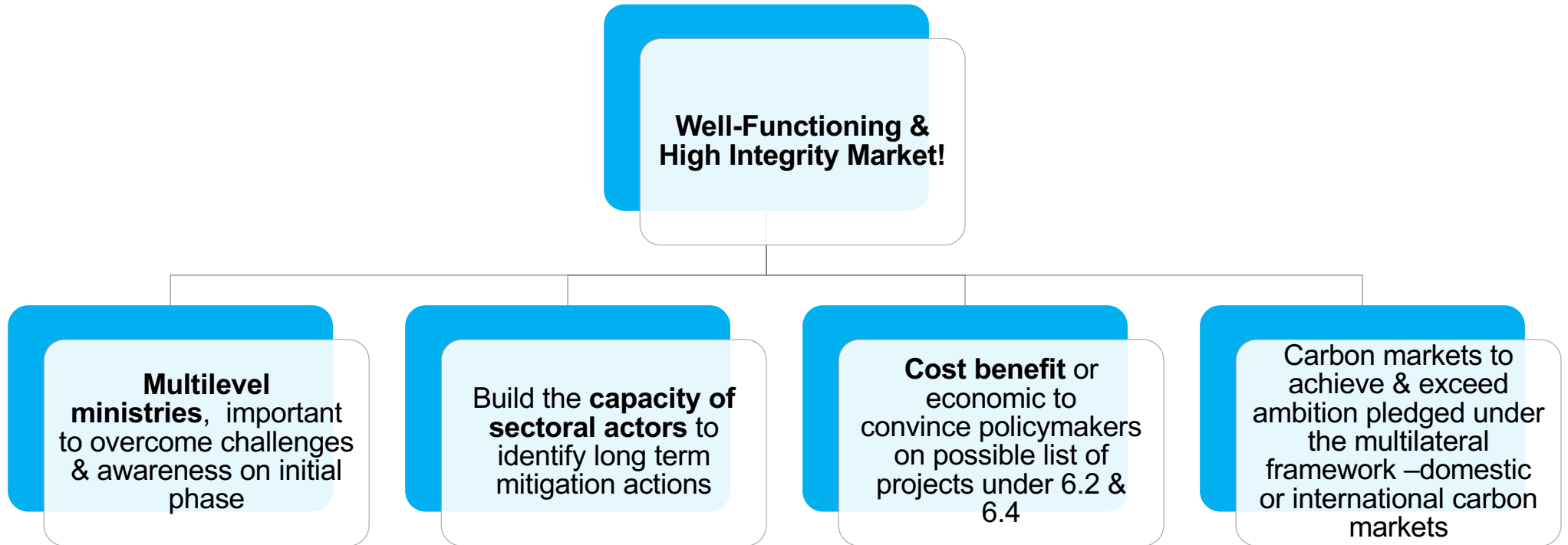
Developing Institutional framework : Operationalise Art 6



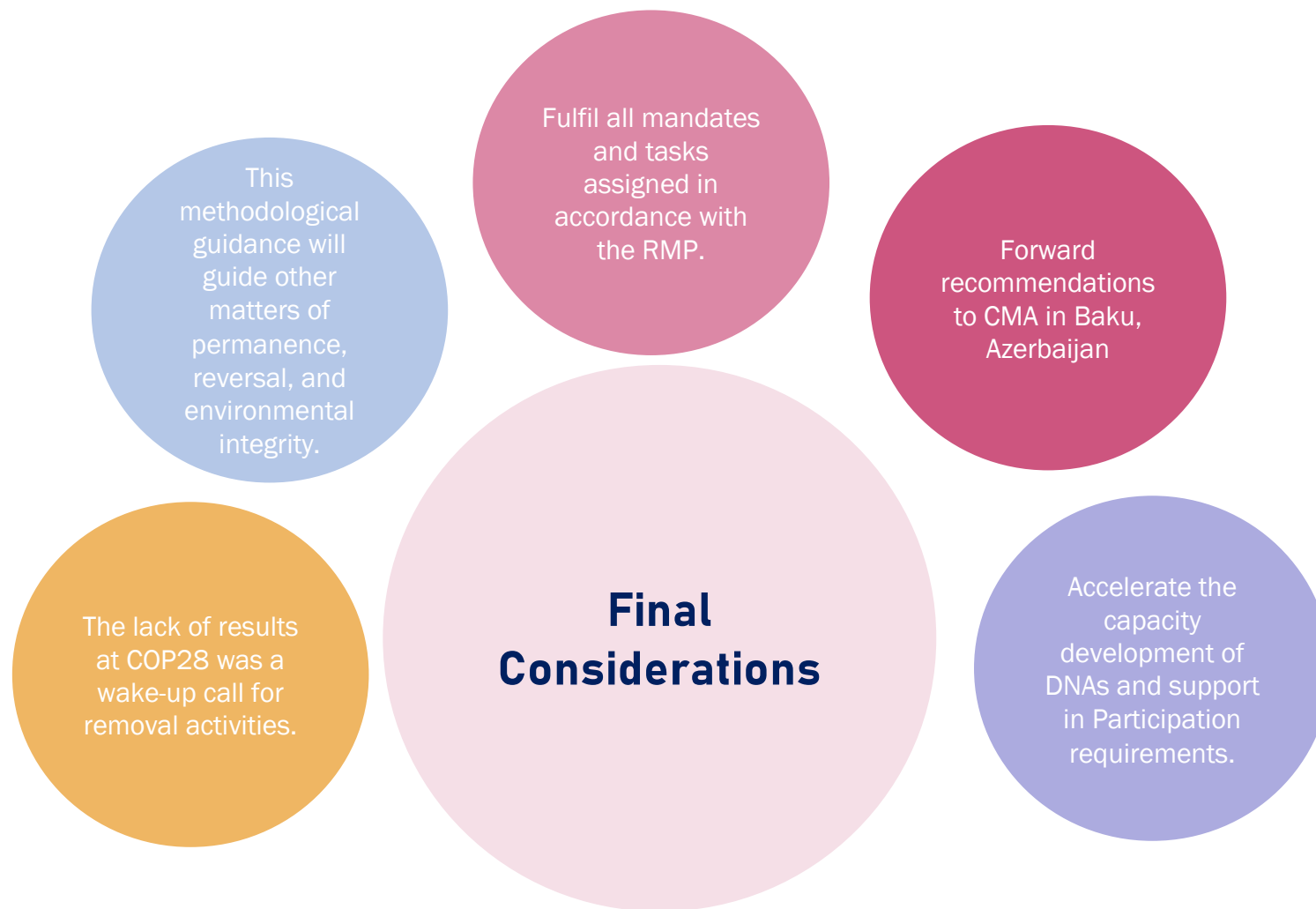
1. Needs Assessment
2. Capacity Building
3. Guidelines and Manuals : for implementing Article 6 provisions, including cooperative approaches and the crediting mechanism
4. Stakeholder Engagement and Knowledge Sharing
5. Policy Recommendations



Article 6 : Institutional Setup



Challenges and opportunities in the context of operationalization

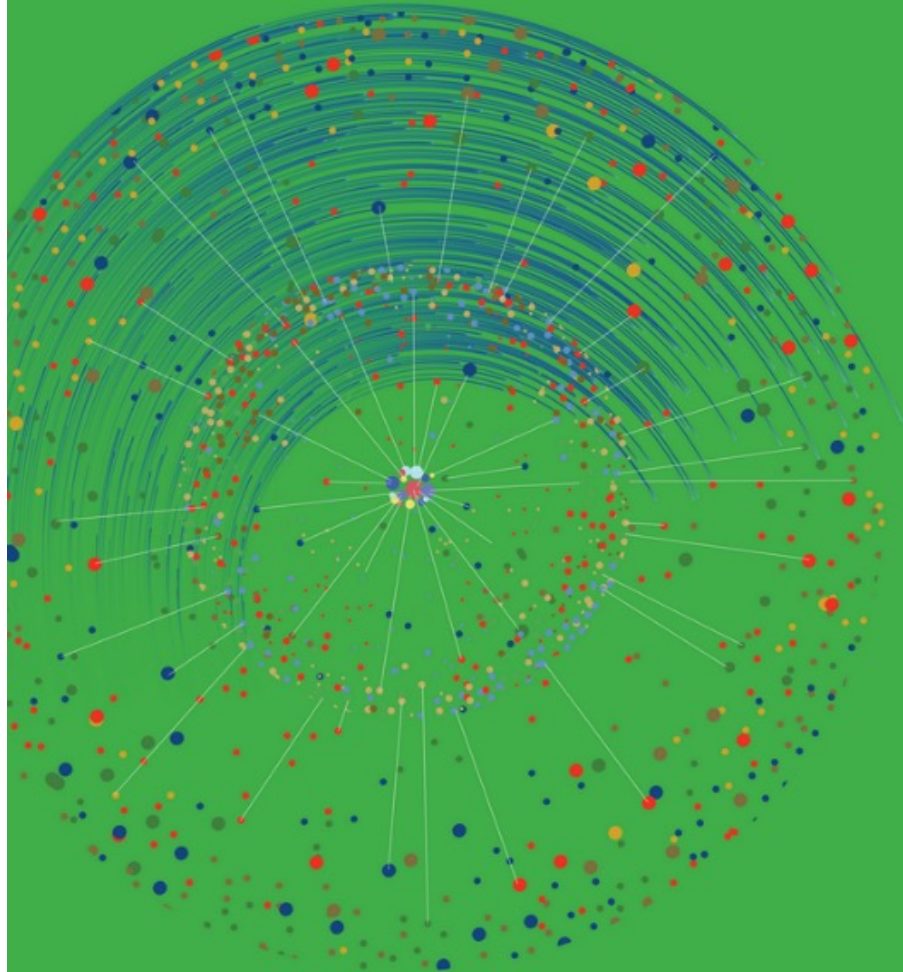




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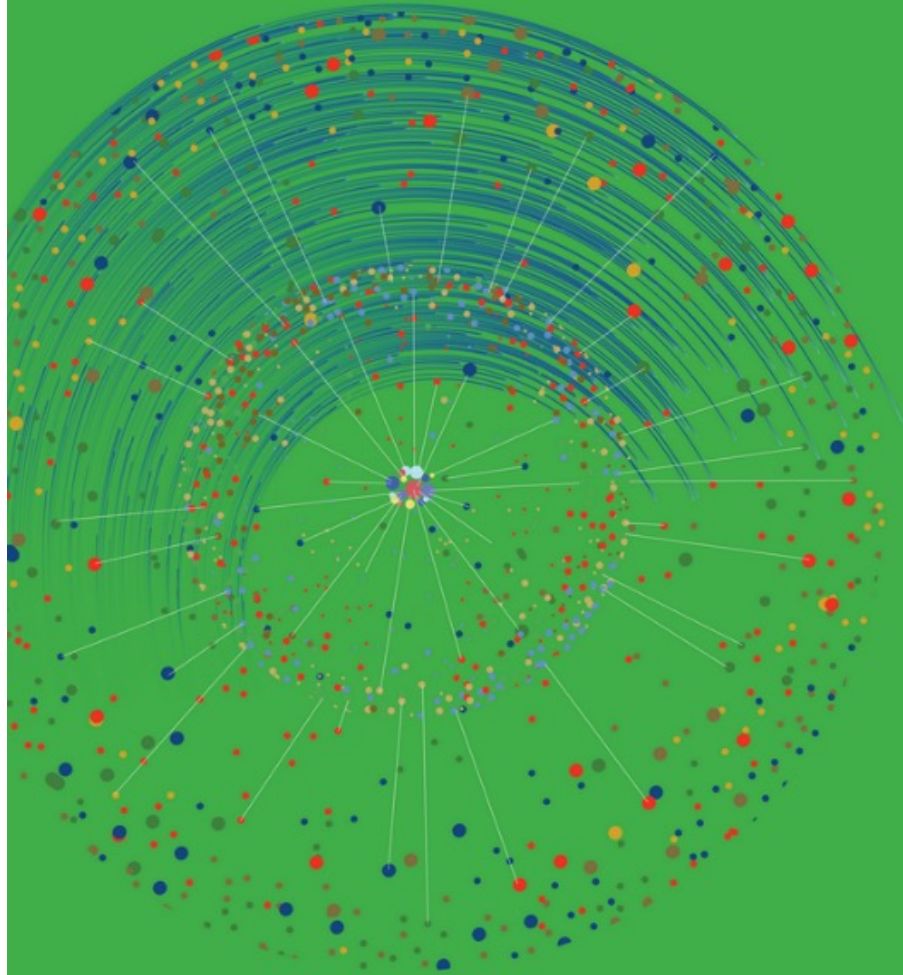
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Leveraging Article 6: Institutional Engagement and Basic Requirements

1. Ms. Vicki Yong, Senior Assistant Director, Ministry of Trade and Industry, International Trade Cluster (Green Economy & Sustainability), **Singapore**
 2. Mr. Supanut Chotevitayatarakorn, Program Manager, A6IP Center/ IGES, **Japan**
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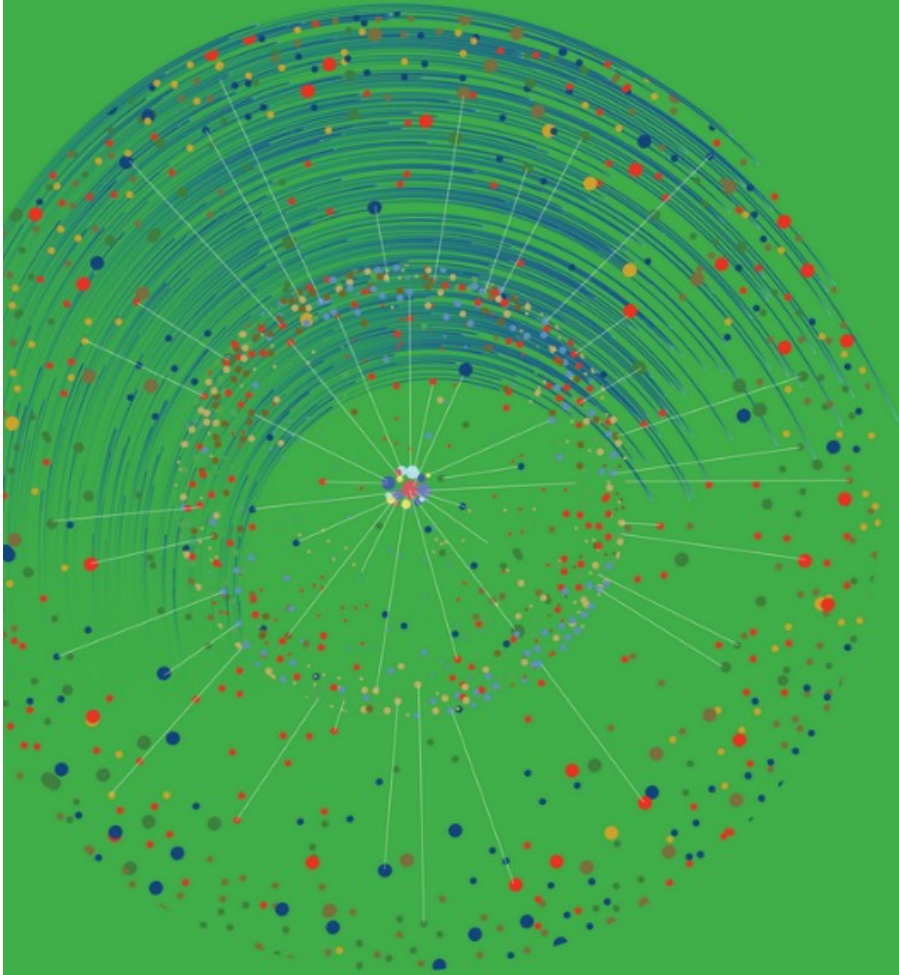


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Open Discussions

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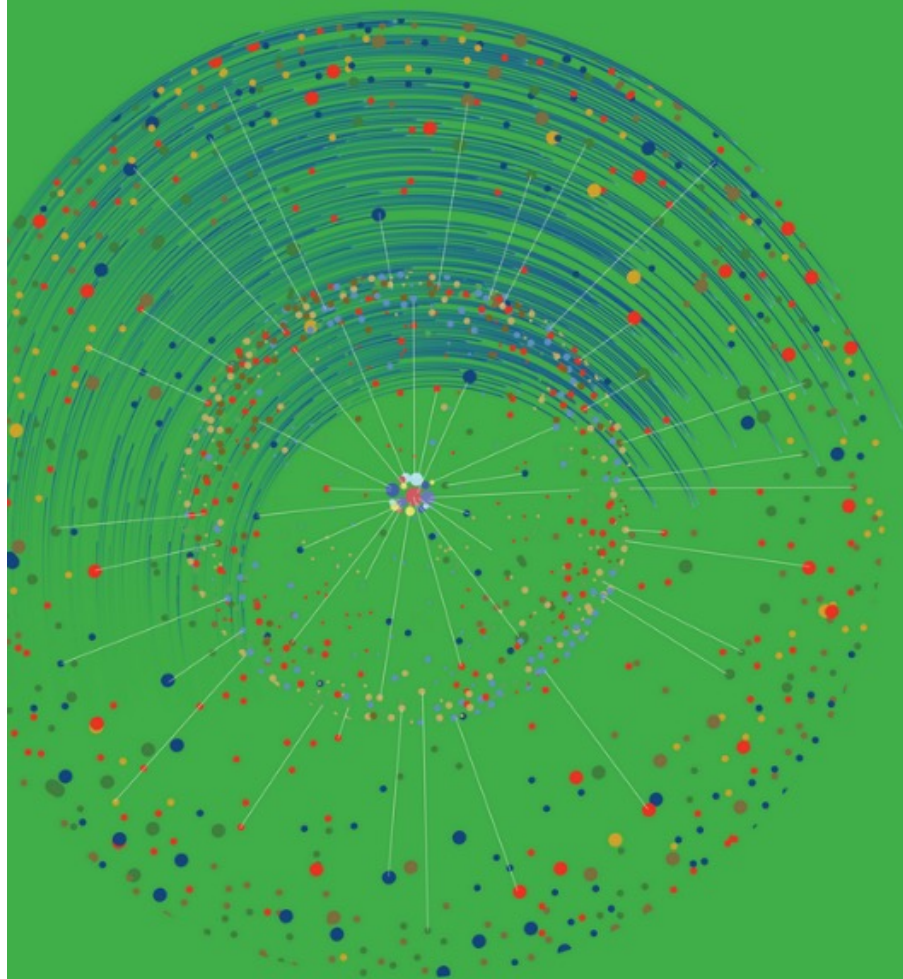


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Break

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Exploring Article 6.4 - Framework and Opportunities

Mr. Perumal Arumugam
Manager, UNFCCC

Article 6.4 – Paris Agreement Crediting Mechanism – An overview

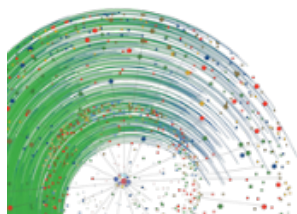
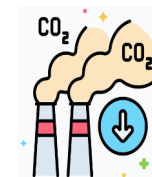
The **Paris Agreement Crediting Mechanism (PACM)** is the new centralized UNFCCC baseline-and-credits mechanism for public and private sector actors. The PACM aims to:

Incentivize and facilitate **participation in the mitigation of GHG by public and private entities** authorized by a Party

Promote the **mitigation** of GHG emissions while fostering **sustainable development**

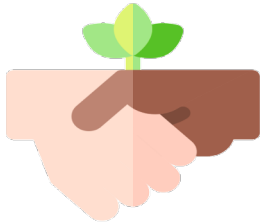
To deliver an **overall mitigation in global emissions**

Contribute to the **reduction of emission levels in the host Party**, which will benefit from mitigation activities resulting in emission reductions that can **also be used by another Party to fulfil its NDC**



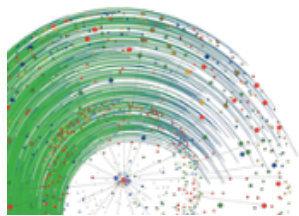
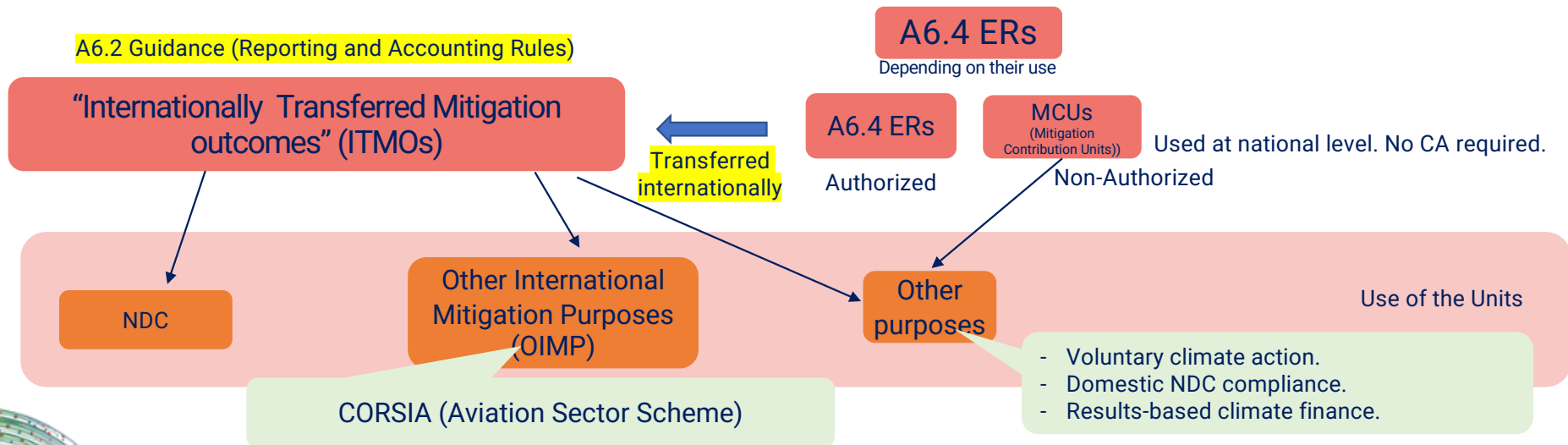
Understanding Cooperation under Article 6.4

The new Paris Agreement Crediting Mechanism



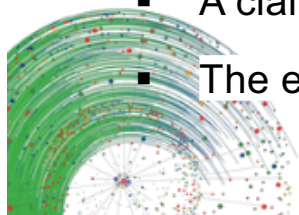
"It will be overseen by a body designated by the CMA and established within the Secretariat of the UN Climate Change."

The mitigation outcomes of proposed activities will be accredited under units known as Article 6.4 Emission Reductions (A6.4ERs)

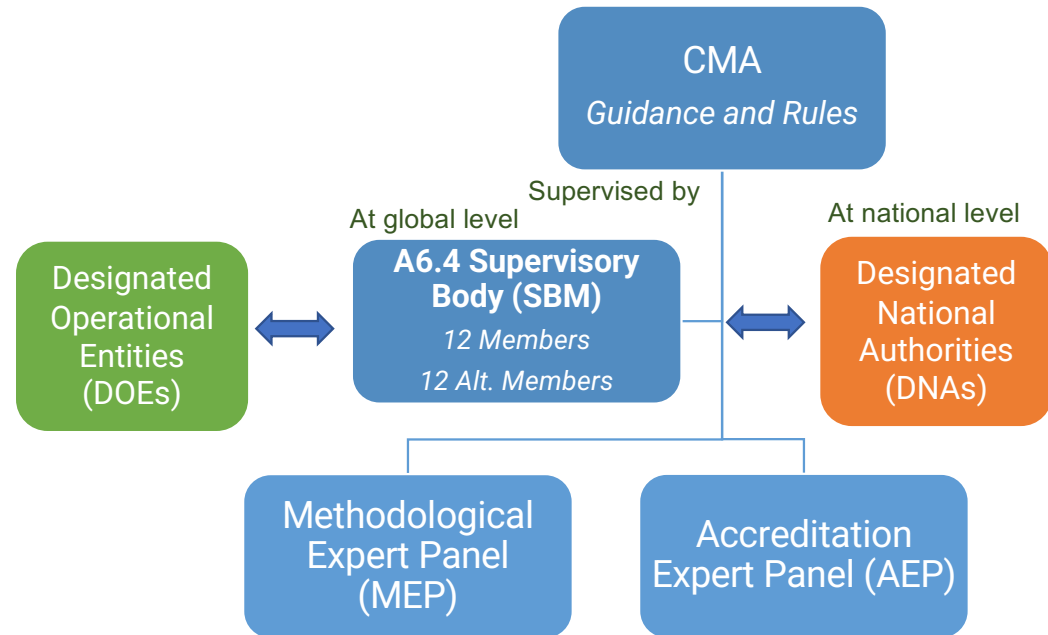


Role of MCUs in supporting host countries & Corporates

- MCUs can be used for various purposes, **including voluntary corporate action**, for the purpose of contributing to the reduction of emission levels in the host Party.
 - e.g. **voluntary climate action**, results-based climate finance, domestic mitigation pricing schemes, or domestic price-based measures.
- MCUs paves the way for corporate to **make a climate contribution** and **unlock financial and technical support for the Global South**.
 - MCUs are generated from registered mitigation activities hosted by any Party, **enabling the transfer of essential climate technology and funding**.
 - The mitigation achieved assists the host Party **in achieving its NDC and sustainable development goals** by curbing its GHG emissions.
- Corporates by **purchasing and cancelling MCUs** can make
 - A claim of contributing to technology transfer, investment, and bending the global emissions curve; and
 - The estimated 'internal carbon prices' tangible, while delivering on the needed climate finance.



Governance Structure of the PACM

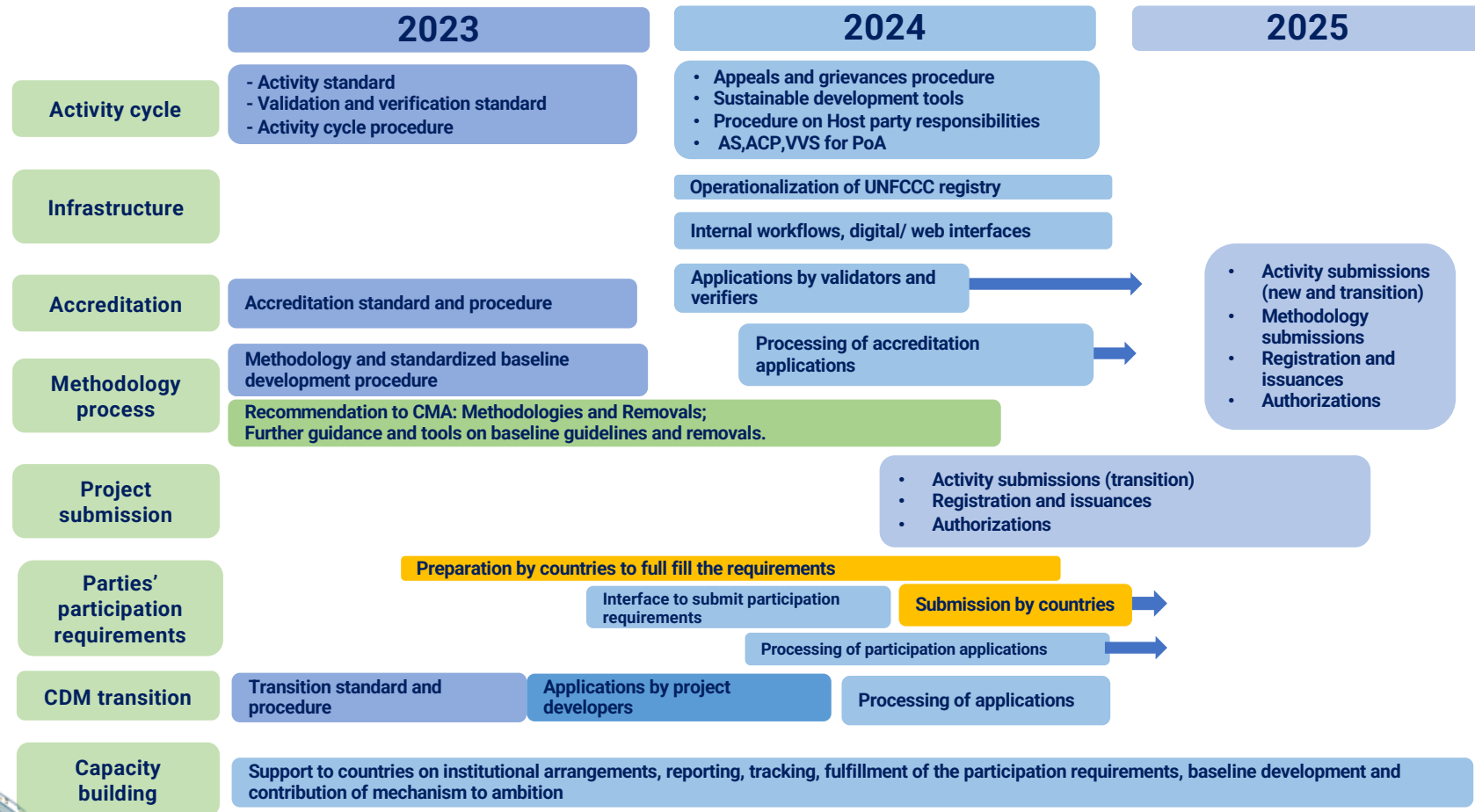


Source: Information extracted from <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism>

Source: Image extracted from <https://evetamme.com/2023/05/21/challenges-for-carbon-removal-under-the-un-standard/>



PACM Implementation – Where are we and What’s next?



Benefits of participation in PACM (Article 6.4)

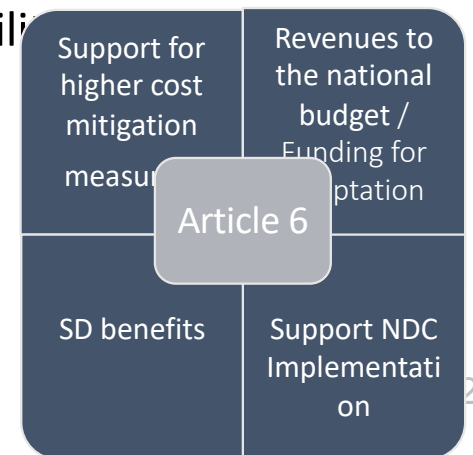
- ❖ **Multilateral governance and International oversight** under UNFCCC
- ❖ **One and only centralized Global carbon market mechanism established under Paris Agreement.**
- ❖ **Best positioned to tackle double counting under UNFCCC** – Integrated reporting and tracking mechanism
- ❖ **Two track National Approval process & Enhanced host party role** - Nationally Approved and Authorized.
- ❖ **Tracking** - mechanism registry operated by Article 6.
- ❖ **Multi prone Quality and Quantity assessment** – [independent third party DOEs, UNFCCC secretariat, 6.4 SBM]
- ❖ **Global Geographical coverage by any scheme (Accessibility)** – Scale, Type and Region Agnostic, **Multilaterally Approved standards - Global benchmark for baseline and crediting mechanism standards.**
- ❖ Strong provisions regarding **Sustainable development and continuous stakeholder inputs (covering all stakeholder types).**



Benefits of participation in PACM (Article 6.4)

- ❖ Robust Appeals and Grievance mechanism.
- ❖ Equitable sharing of benefits between two participating parties
- ❖ One and only mechanism contribute to Adaptation through three means to build resilience to the inevitable impacts of climate change for developing countries.
- ❖ One and only mechanism contribute to Overall mitigation of Global emissions(OMGE).
- ❖ Use for both compliance and non-compliance purposes (NDC, MRV of climate finance, green bonds etc).
- ❖ Fulfillment of reporting obligation under Paris Agreement pre-fill all the information needed to report AEFs to the A6DB.

The mechanism has the technical systems, offers unrestricted access and flexibility



Choice of A6.4ER: Mitigation Contribution Units (MCUs)

Mitigation contribution (Article 6.4 only):

=>do not require a corresponding adjustment and may be used, “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”.

=> uses in other markets, such as in the voluntary carbon markets or domestic markets.

At the moment, “mitigation contribution” can only be used for Article 6.4.

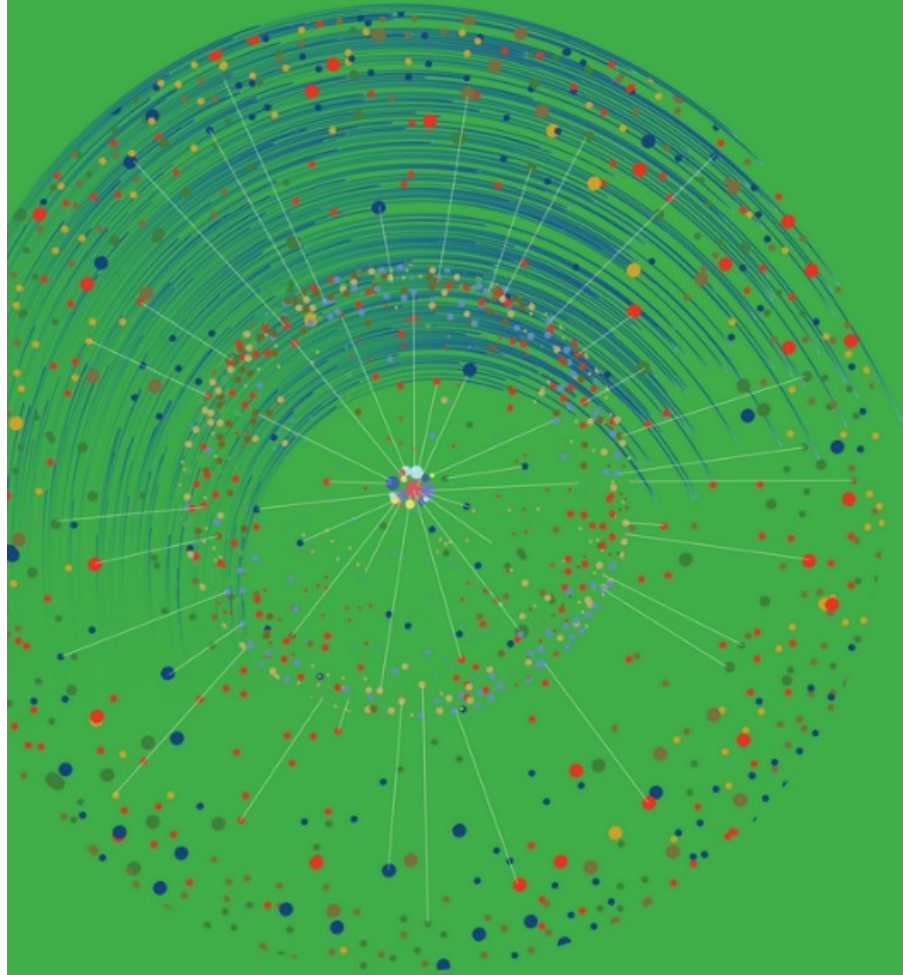
Article 6 Units	
6.2 ITMOs and 6.4 ITMOs/A6,4ERs (Authorized)	6.4 Mitigation Contribution Units (Non-Authorized)
<ul style="list-style-type: none"> Requires corresponding adjustments May be used towards achievement of NDCs uses in other markets, e.g., voluntary carbon markets Uses for other international mitigation purposes (e.g., CORSIA) 	<ul style="list-style-type: none"> Do not require a corresponding adjustment May be used, “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”. uses in other markets, e.g., voluntary carbon markets or domestic markets. <p><i>Now, “mitigation contribution” can only be used for Article 6.4.</i></p>



Overview of Article 6.4 Activity Cycle



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Similarities and differences between Article 6.4 and CDM

Mr. Perumal Arumugam
Manager, UNFCCC

Similarities and differences compared to the CDM

CDM

Annex I Parties had legally binding emission reduction **contributions**.

Developing countries participated in the international carbon market as hosts for CDM projects (no **contributions**).

Limited role of developing countries
(restricted to issuing Approval Letters).

The approval of CDM activities involved confirming that participation was voluntary and contributed to the sustainable development of the host country.

Centralized process led by the CDM Executive Board (Applicable CDM Methodologies and established accreditation period rules).

PACM (A6.4)

All parties must have NDCs (emission reduction **contributions**).

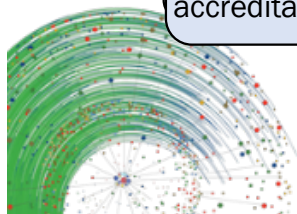
All Parties can participate as sellers or buyers of Mitigation Outcomes. Parties must specify which types of projects they would approve.

More significant role for developing countries.
(for example, participation roles and responsibilities, activity design, and functional responsibilities).

Parties are expected to report on how mitigation actions contribute to the NDC of the host and partner countries, as well as to sustainable development.

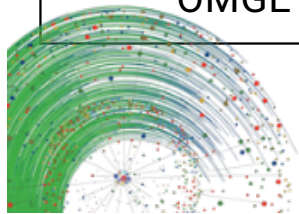
Parties can specify the crediting period (shorter), methodological approaches (more rigorous).

Grievance Mechanism; Sustainable Development Tool, Appeal Mechanism



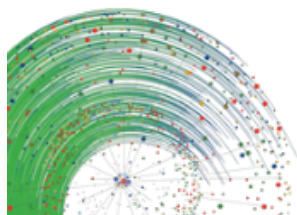
Similarities & Differences Compared to CDM

	Article 6.4 mechanism	CDM
Registration fee	>50 kt/year: \$10,000 ≤ 50 kt/year: \$5,000 ≤ 15 kt/year: \$1,500	CDM registration fee = 1 year of issuance fee from \$0 (LDC, host countries with < 10 projects) to \$350,000 USD
	Registration fee is not an advance to SOP	Registration fee is advance to SOP
	Waived for SIDS and LDC	Registration fee waived for LDCs
Renewal fee	Same as registration fee	None
PRC fee	\$1,500 per request	None
Issuance fee	\$0.15/A6.4ER Waived for LDCs and SIDS	\$0.10/CER up to 15,000 USD/year \$0.20/CER for above 15,000 USD/year Waived for LDCs
SOP adaptation	5% of A6.4ERs	2% of CERs
OMGE	2% of A6.4ERs	None



Similarities & Differences compared to CDM

	Article 6.4 mechanism	CDM
Crediting period	Maximum 10 years fixed or 3 x 5 years maximum Can be specified by host Party	10 years fixed or 3x7 years
Activity types	Projects, Programmes	Projects and Programmes
Infrastructure	A6.4 registry	CDM registry
Public input	Possible at any time of the project	Only during foreseen time for public consultation
Grievance mechanism	Yes	None
Stakeholder Consultation	Lifetime of the project crediting period	Before the Validation process

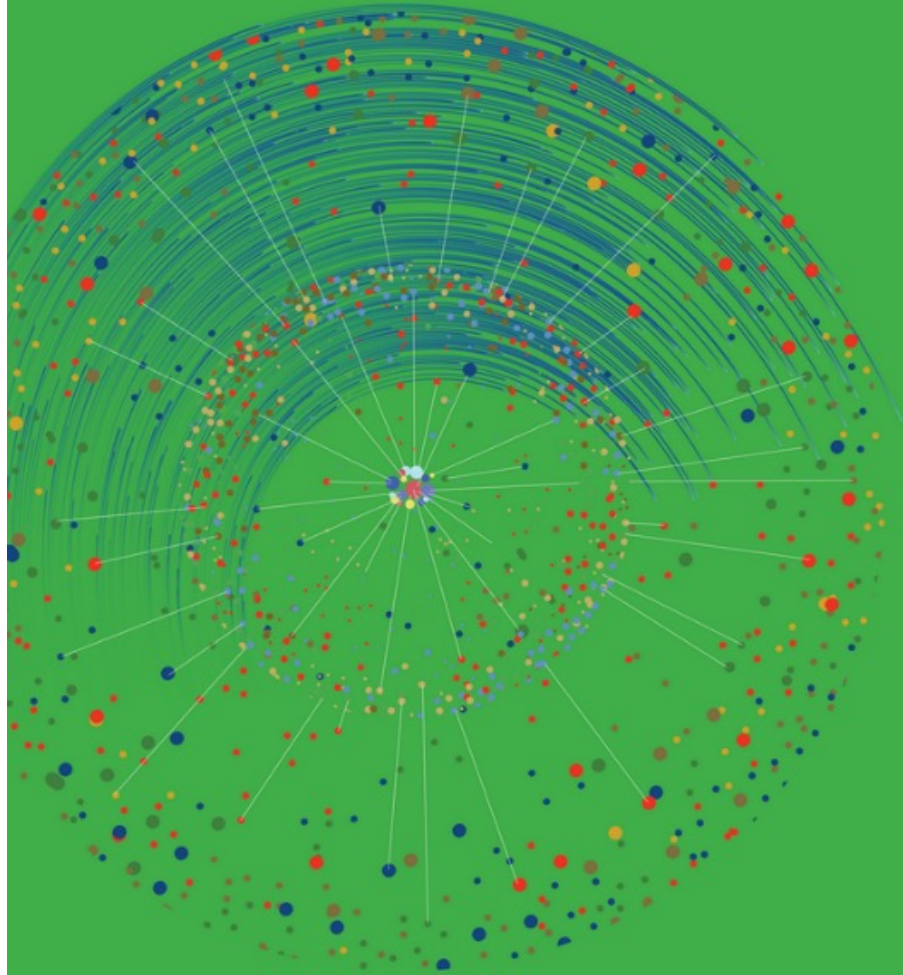


Similarities & Differences Compared to CDM

	Article 6.4 mechanism		CDM
DNA	Required		Required
Role of DNA	Approves activities Authorizes participants Must specify activity type the Host Party is willing to approve		Approves activities Authorizes participants
Units produced	Authorized A6.4ER or	Mitigation Contribution Units (MCUs)	CERs
Corresponding adjustments	Yes	No	No
Addressing reversals	To be developed		Issuance only of tCERs or ICERs for A/R projects



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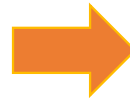
Transition from CDM to Article 6.4

Mr. Perumal Arumugam
Manager, UNFCCC

CDM Transition : Background

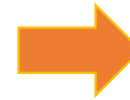
Details

Decision 3/CMA.3,
annex (RMPs), chapter
XI.A



- ❑ Contains provisions that allow transition of CDM activities to the Art. 6.4 Mechanism with conditions:
 - Transition request submission.
 - Host Party approval submission.
 - Compliance with the RMPs.

Decision 7/CMA.4



- ❑ Elaborated key conditions and processes (elaboration of RMPs)
 - Crediting period or PoA period.
 - Activity design.
 - Transition process.

Key Decisions



Eligibility for transition – PAs & PoAs

Aspect to be considered for Transition	Description
Activity Type	Shall be among those indicated publicly by the host party to the Supervisory Body.
Crediting Period	<ul style="list-style-type: none"> • Active as of 1 Jan 2021. • Ends either at the end of the current CDM CP or 31 Dec 2025 (whichever is earlier) or as specified by the host party; • Type (renewable or fixed) – not to change at or after transition. • Renewals – following the RPMs (same as CDM rules) unless the Host Party specifies no-renewal
Use of CDM Methodologies	<ul style="list-style-type: none"> • May continue to use currently applied CDM meth until renewal or 31 Dec 2025 (whichever is earlier) • May voluntarily (or requested by the host party if incompatible with its meth approach) replace the meth or as requested • Additionality demonstration is deemed fulfilled if CDM meth is applied • Global Warming Potential – apply values from the IPCC 5AR. • For a PoA that continues applying CDM meths, no new CPAs may be included until renewal of PoA under Art. 6.4.
Additional activity design requirements	<ul style="list-style-type: none"> • Long-term benefits to climate change. • Addressing non-permanence (all types of activities) – analysis of risks and planned monitoring and counter measures. • Social impacts.



CDM Transition : State of Play

Transition Status	Total Volumes
Total Number of activities that requested transition	1,796
Have moved to or have completed Global Stakeholder Consultation	1,464
Withdrawn or closed due to objection of Focal Points	6
Have initiated MoC amendments in order to resubmit a request for transition	103
Have not communicated with the secretariat since submitting the request for transition	223

For entities [1796 – 1464] who do not submit corrected and final MoC documentation by 4th November 2024, their request for transition from CDM to Article 6.4 would not be possible.

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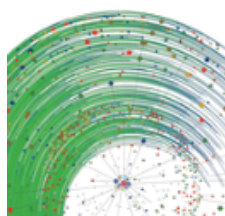
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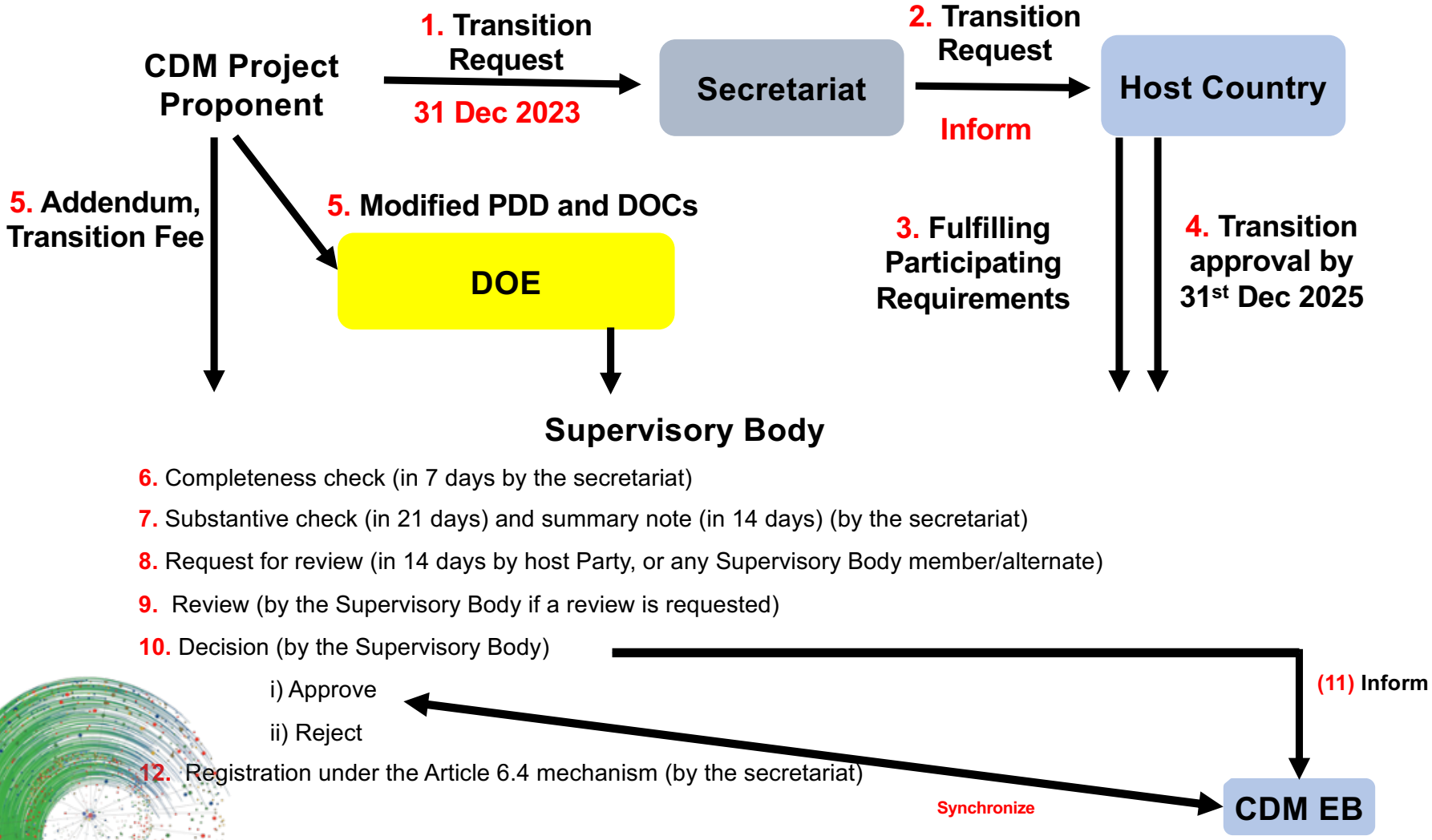
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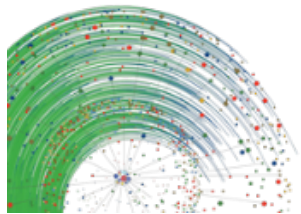


Transition of CDM Activities to the Art 6.4 Mechanism



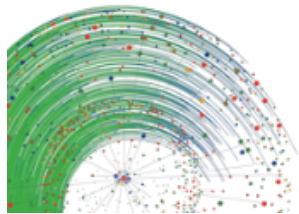
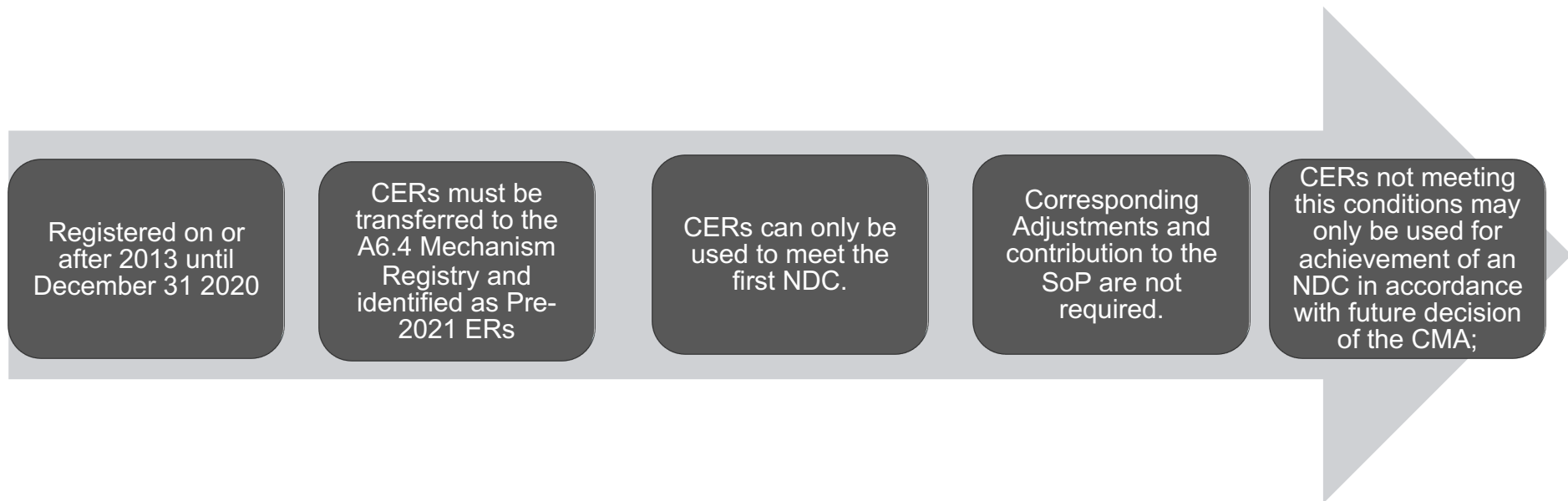
Use of Current CDM Methodologies

- May continue to use currently applied CDM meth until renewal or 31 Dec 2025 (whichever is earlier)
- May voluntarily (or requested by the host party if incompatible with its meth approach) replace the meth or as requested
- Additionality demonstration is deemed fulfilled if CDM meth is applied
- Global Warming Potential – apply values from the IPCC 5AR.
- For a PoA that continues applying CDM meths, no new CPAs may be included until renewal of PoA under Art. 6.4.

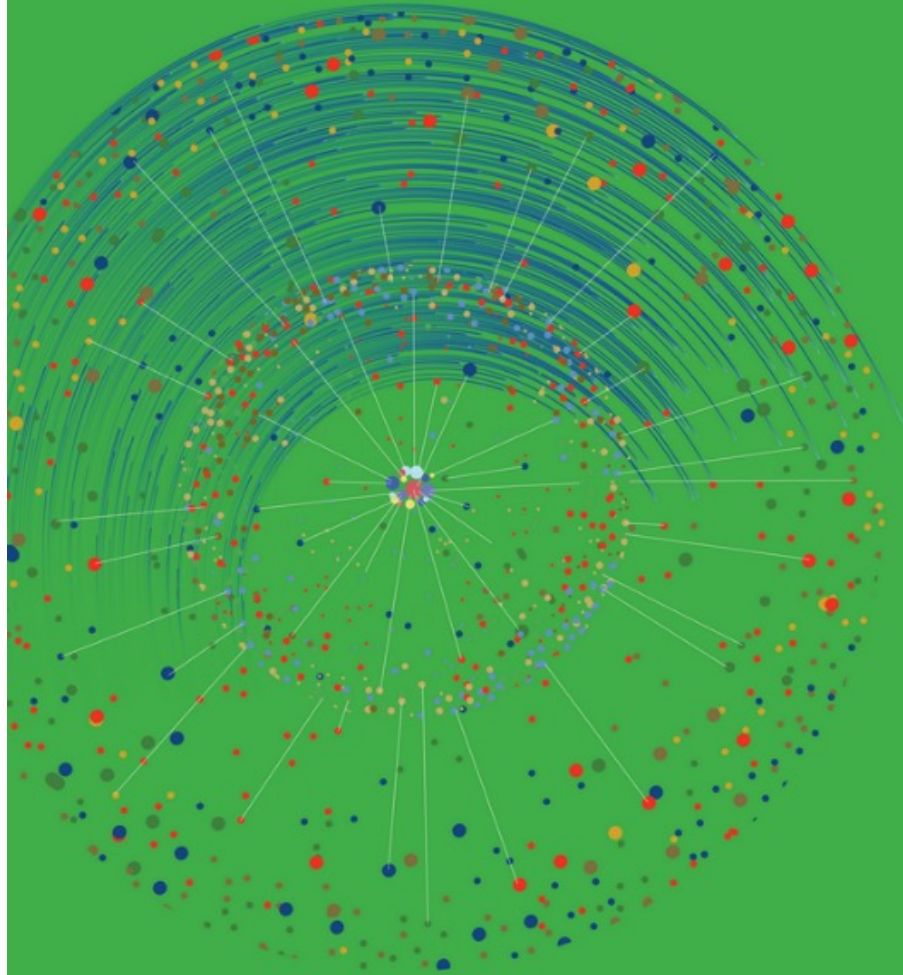


Use of Pre-2021 CERs

- CERs from PA/PoAs registered on or after 2013 can be used for the first or first updated NDC compliance without a corresponding adjustment by the host country.
- Temporary and Long-term CERs shall not be used towards NDC achievement.



DAY 3 : Operationalising Article 6



Session 3



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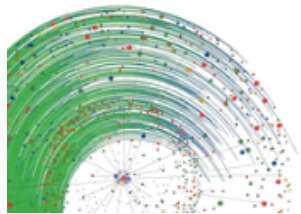
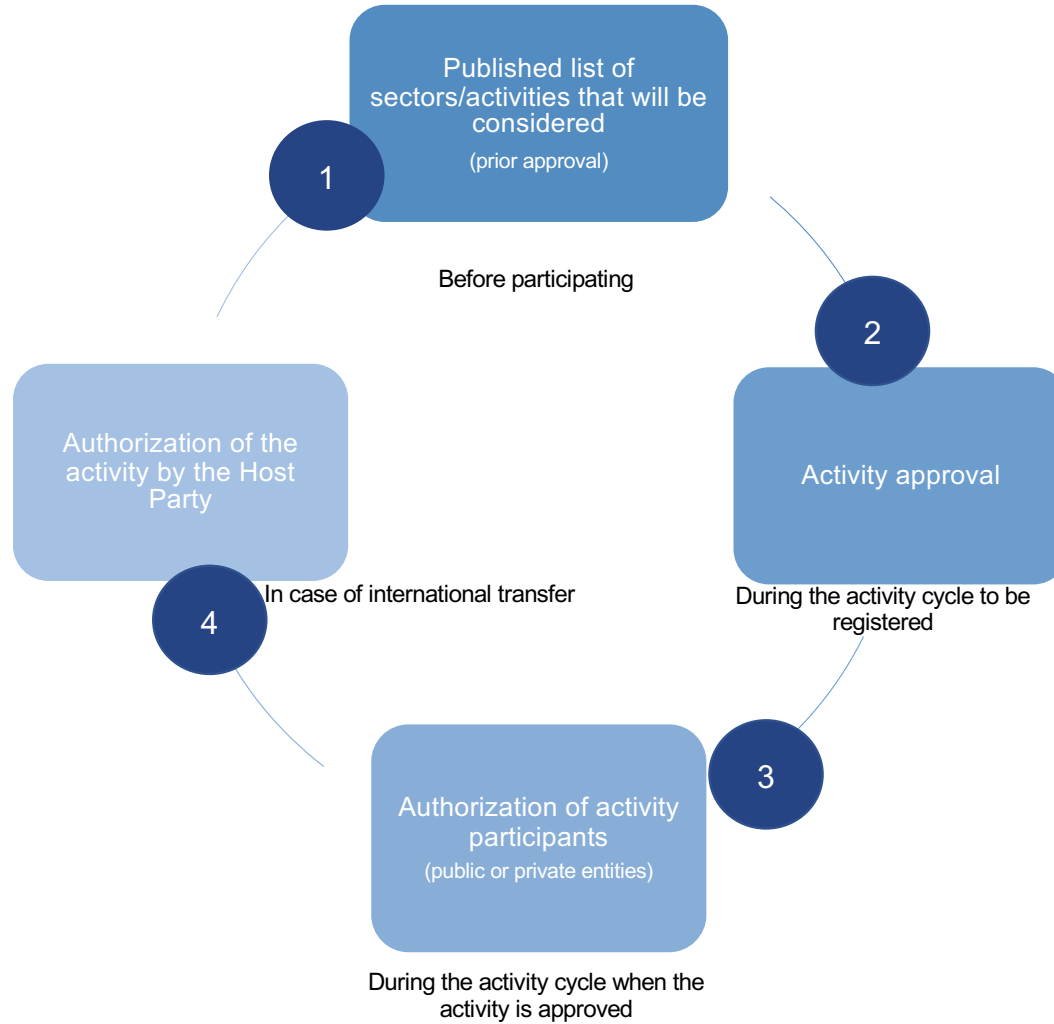
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Roles, Responsibilities and Participation Requirements


Mr. Perumal Arumugam
Manager, UNFCCC

DNA Roles and Responsibilities



DNAs – Host Party : Responsibilities (“shall”)

Preparation of Host Party participation requirements for Article 6.4 mechanism [\(A6.4-FORM-GOV-001\)](#).

 HOST PARTY PARTICIPATION REQUIREMENTS FOR ARTICLE 6.4 MECHANISM (Version 01.0)	
SECTION 1: GENERAL INFORMATION	
Country:	<input type="text"/>
Institution name:	<input type="text"/>
Institution address:	<input type="text"/>
Representative of the institution:	<input type="text"/>
E-mail address of the representative:	<input type="text"/>
Phone number of the representative:	<input type="text"/>
ADDITIONAL REPRESENTATIVE (OPTIONAL)	
Additional representative of the institution:	<input type="text"/>
E-mail address of the additional representative:	<input type="text"/>
Phone number of the additional representative:	<input type="text"/>
SECTION 2: PARTICIPATION RESPONSIBILITIES	
Is your country a Party to the Paris Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has your country prepared, communicated, and is it maintaining a Nationally Determined Contribution (NDC) in accordance with Article 4, paragraph 2 of the Paris Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has your country designated a Designated National Authority (DNA) for the Article 6.4 mechanism and communicated that designation to the UNFCCC secretariat?	<input type="checkbox"/> Yes <input type="checkbox"/> No

A6.4-FORM-GOV-001

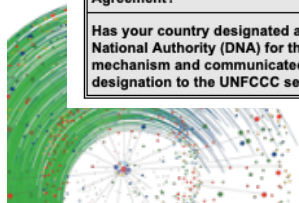
<p>Please describe how your country's participation in the Article 6.4 mechanism contributes to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.</p> <input type="text"/>
<p>Please provide detailed information on the types of activities under Article 6, paragraph 4 (A6.4 activities) that your country would consider approving pursuant to chapter V.C (Approval and Authorization) of the Rules, Modalities and Procedures (RMPs).</p> <p>Additionally, explain how these activities, and any associated emission reductions or removals, would contribute to the achievement of your country's NDC, if applicable, its long-term low GHG emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement?</p> <input type="text"/>
<p>Please provide any additional information that the host Party may deem necessary.</p> <input type="text"/>

https://unfccc.int/sites/default/files/resource/A6.4_Form_AC_001_Morocco.pdf

Document information

Version	Date	Description
01.0	25 March 2024	Published with revised symbol number (previously A6.4-FORM-AC-001).

Decision Class: Regulatory
 Document Type: Form
 Business Function: A6.4 activity cycle, Governance
 Keywords: A6.4 mechanism, A6.4 projects, project implementation



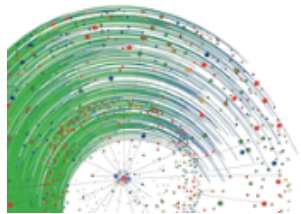
Assessing Eligible Sectors And Technologies

TOP-DOWN APPROACH

- The country specifies what type of activities, sectors, gases, and for which time frame it will authorize Art. 6.4 activities (Based on the Art. 6 strategy)
- Identification of preferred sectors and technologies e.g., use of **positive lists** and **negative lists**.
- Robust technical capabilities are required to specify the activity types, a thorough understanding of domestic and international market opportunities, and continuous stakeholder involvement.

- Activity developers (government agencies, ministries, private sector) and interested acquiring countries approach the government, who will decide on authorizations as proposals come in.
- This approach could mean engaging in cooperative approaches based on interest expressed by domestic actors or an international partner.
- Host country waits for requests for authorization of Article 6.4 activities and, at the point of the request, assess if and how mitigation outcomes can be created and transferred to the applying entity.

BOTTOM-UP APPROACH



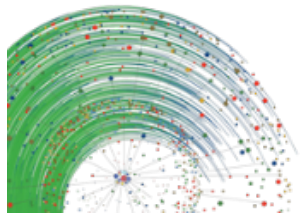
DNAs – Host Country: Other responsibilities (“may”)

Methodologies

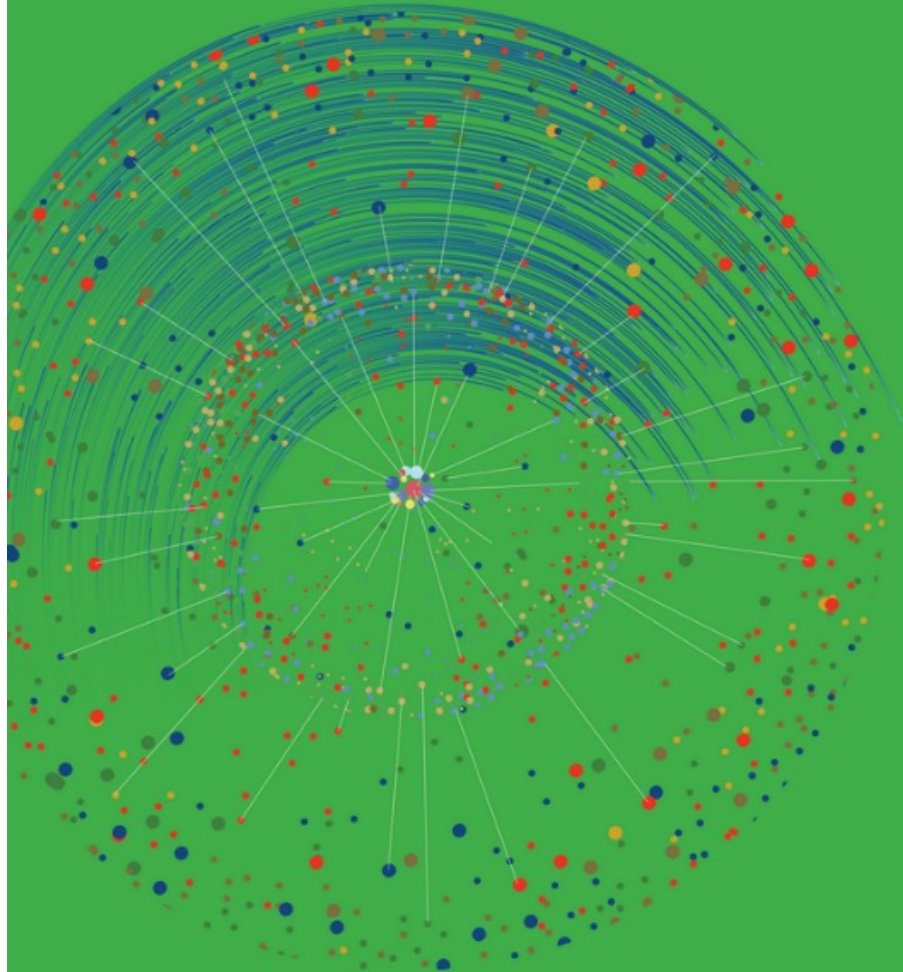
- Development of mechanism methodologies, including applying baseline and other
- Methodological requirements, including additionality
- A host Party may determine a more ambitious level at its discretion.
- Standardized baselines may be developed by the Supervisory Body at the request of the host Party or may be developed by the host Party.

Crediting Periods

Application of the crediting periods and renewal of crediting periods



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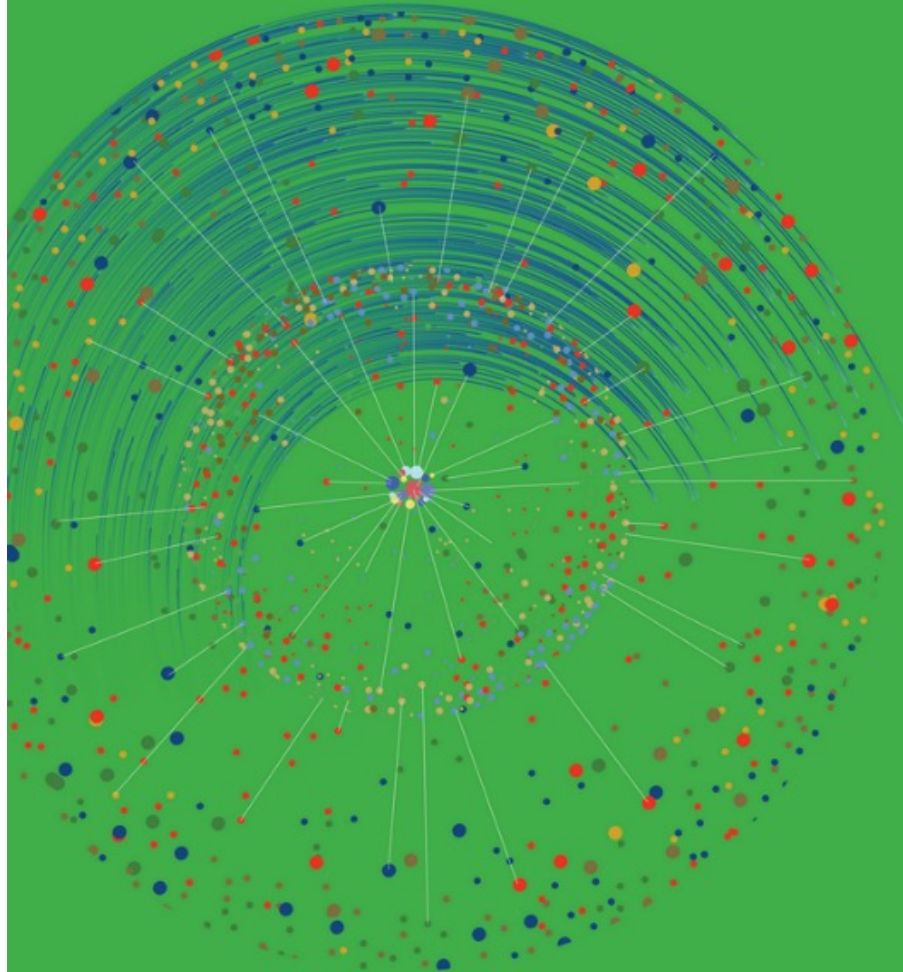


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Lunch

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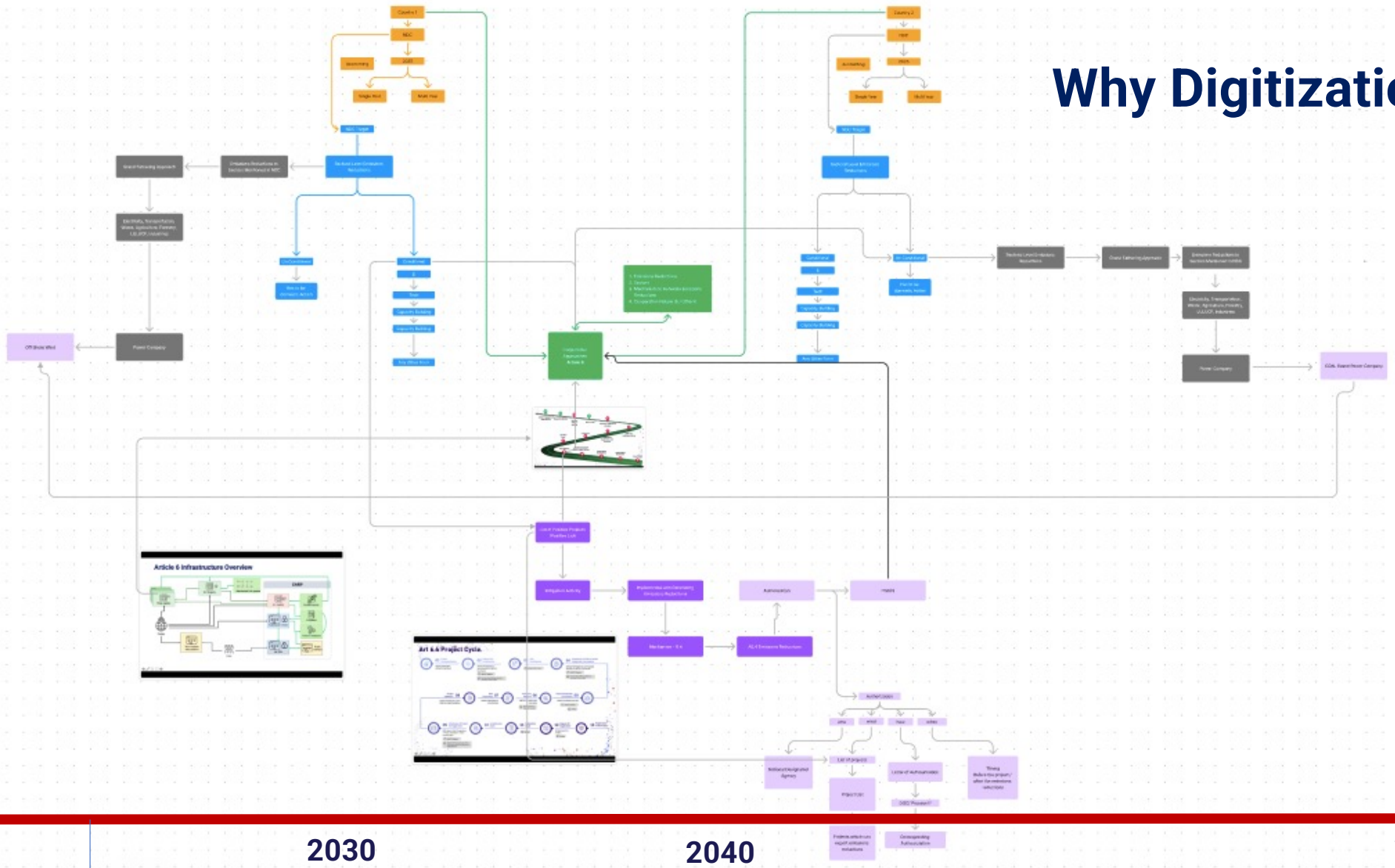
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Digital Solutions to operationalise A6 : Market infrastructure

Mr. Umamaheswaran Krishnan
Article 6 and Carbon Pricing Regional Expert
RCC MENA & South Asia

Why Digitization?



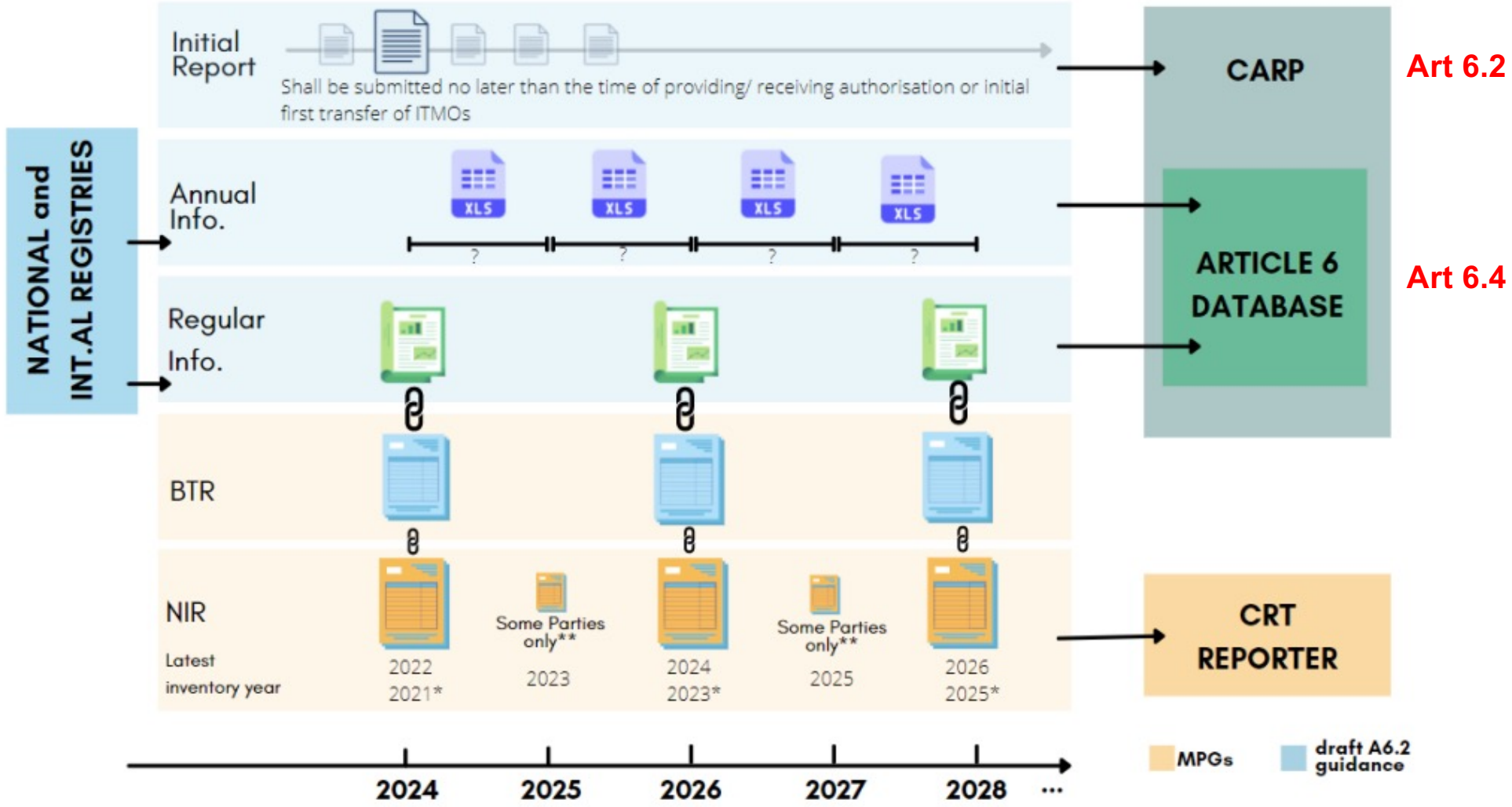
2021

2030

2040

2050

Reporting under Art 6 : Macro Level



Article 6 Infrastructure Overview

Centralized accounting and reporting platform (CARP)

Implemented by the UNFCCC Secretariat

Form: digital web-based platform

Key functions

- Publishes information submitted by participating parties
- Provides reporting templates, a submission portal, etc.
- Enables management of common nomenclatures

Article 6 Database

Key functions

- Records and compiles information submitted by participating parties (annual/regular information), incl. corresponding adjustments, emissions balance, and information on ITMOs.
- Records ITMO Ids.
- Supports Article 6 technical expert review and publishes the review report
- Identifies inconsistencies.

International registry

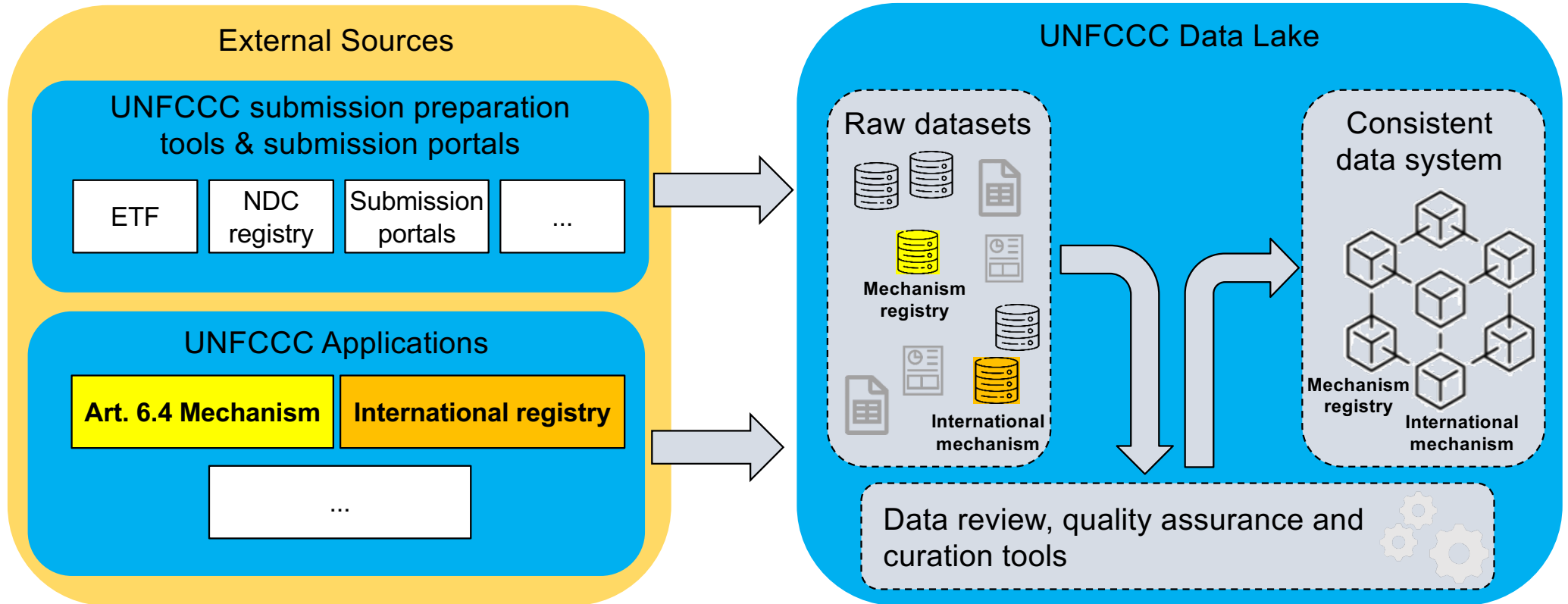
Key functions

- Performs tracking functions
- Has necessary functions as required by the guidance on registries.

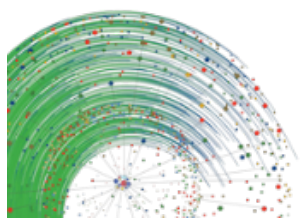
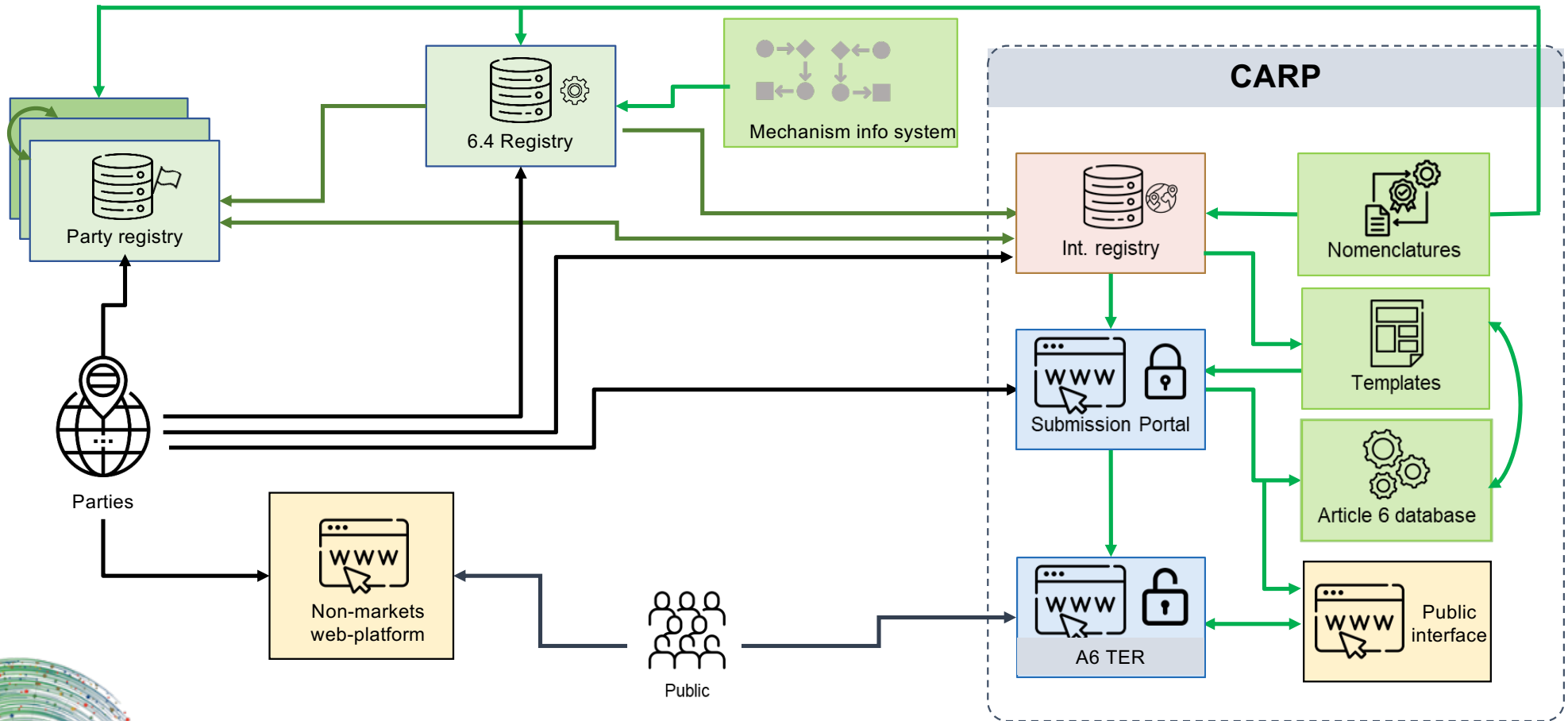
Source: Information based on the Decision 2/CMA.3, annex, chapter VI and Decision 6/CMA.4, annex I



Global Level Reporting



Article 6 Infrastructure Overview



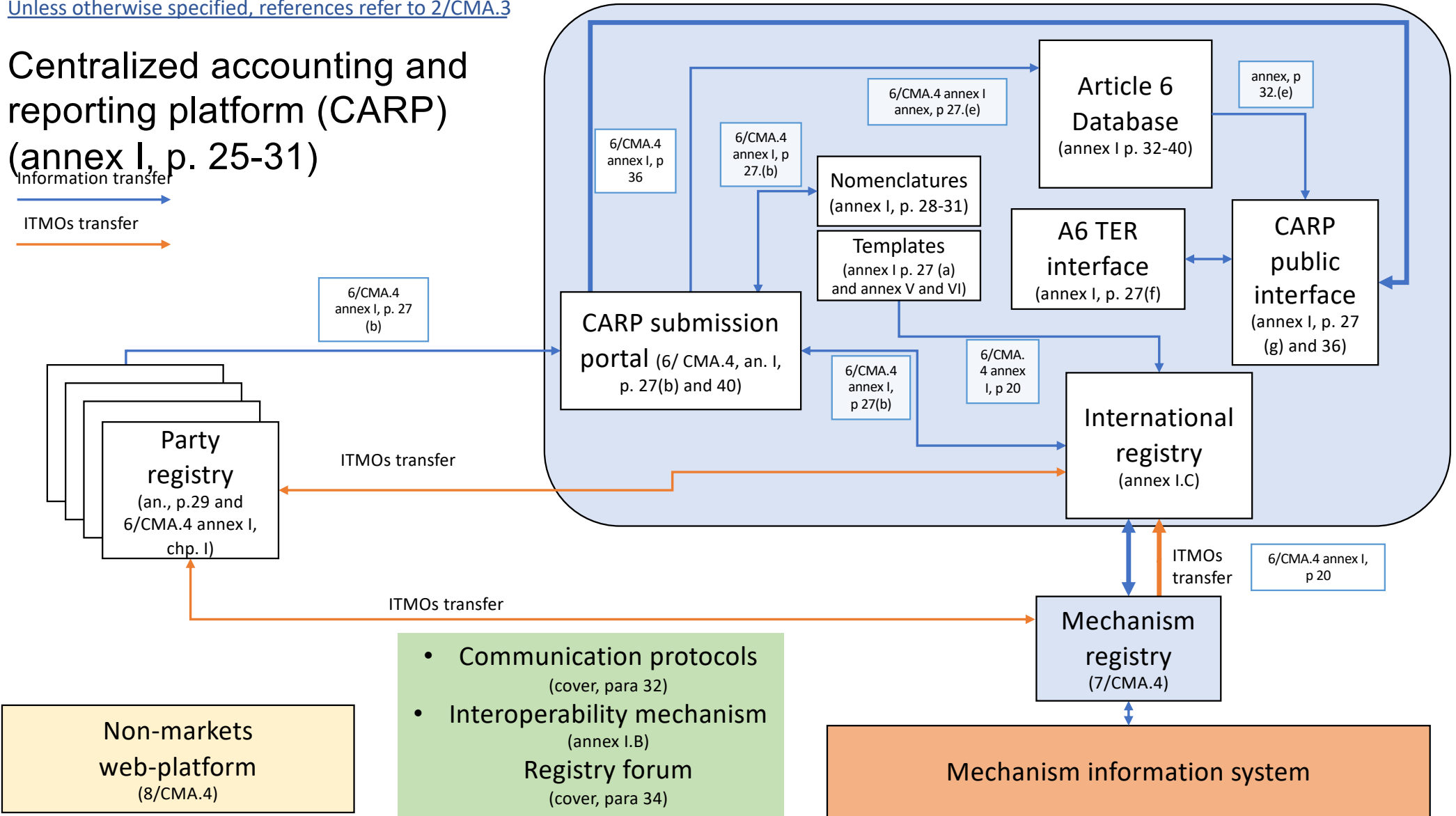
Unless otherwise specified, references refer to 2/CMA.3

Centralized accounting and reporting platform (CARP) (annex I, p. 25-31)

Information transfer



ITMOs transfer



Registry Software Technical and Functions

6.4

- **Database / data storage**
- **Software code that implements transaction management and the business rules processing.**
- **Access security, user and system authentication and authorization**
- **Infrastructure security**
- **User interface**
 - Account holders' interface
 - Public interface
- **Interoperability features**
 - Mechanism information system
 - The Article 6.2 international registry
 - The Article 6.2 centralized accounting and reporting platform, including the Article 6 database
 - Other as required – Party registries, cancellation platform, trading platforms/carbon exchanges
- **Maintain accounts** for Parties and authorized activity participants, Adaptation Fund Board, centrally managed accounts.
- **Issue serialized units** of Authorized A6.4ERs (ITMOs) and mitigation contribution A6.4ERs aka mitigation contribution units (MCUs)
- **Create serialized units of transitioned CERs**, including tracking of the original serial numbers of the CERs
- **Receive input on authorization** to assign/maintain authorization status of A6.4ERs
- **Perform transactions** with unit types between account types, including external transfers subject to CMA guidance
- **Track first transfer** for authorized A6.4ERs
- The software will implement **business rules applicable to ITMOs as per the Article 6.2 guidance** and will track authorized A6.4ERs consistently with the **agreed electronic format**

6.2

Considering possible options for registry

Registry options

Participating Party Registry

Develop Own Registry

Another available
registry

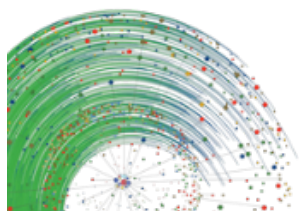
Participating Party Registry

Operated by UNFCCC Secretariat



Considering possible options for registry

Countries suitable for this option	Registry options		
	Participating party registry		International registry (Operated by UNFCCC secretariat)
	Develop own registry	Use other available registry	
	<ul style="list-style-type: none"> • Countries having in place domestic registry which serves similar functions • Countries intending to implement domestic CPIs which require a national registry • Countries having technical capacity and resources for operating its own system 	<ul style="list-style-type: none"> • Countries receiving support from development partners who provide such service • Countries wishing to use registry for multiple functions in addition to Article 6 without developing own registry (subject to the functions provided by each registry) • Countries wishing to reduce cost in operating the system by themselves 	<ul style="list-style-type: none"> • Countries intending to use the registry for the sole purpose of Article 6 • Countries with limited capacity and resources • Countries intending to use international registry in addition to their own registries to facilitate Article 6 implementation



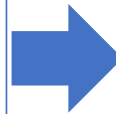
Interoperability

Participating countries must implement **appropriate standards and procedures** for interoperability, where applicable (Decision 6/CMA.4, annex I, chapter I.B).

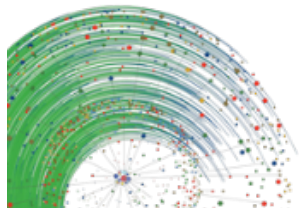
General principles (Decision 6/CMA.4, annex I, chapter I.B)

- To mitigate risks to the consistency of data, including through communication of data about the transfer and reconciliation procedures within and between registries.
- The existence, type, time, or content of the inter-registry transfer should not later be contested.

Participating party may **connect its registry to the international registry** by applying the applicable interoperability arrangements. (Decision 6/CMA.4, annex I, chapter I.C, para. 24)



The UNFCCC Secretariat is tasked with developing interoperability standards and procedures for the international registry in connecting with other registries. (Decision 6/CMA.4, annex I, chapter I.C, para. 17 (d))





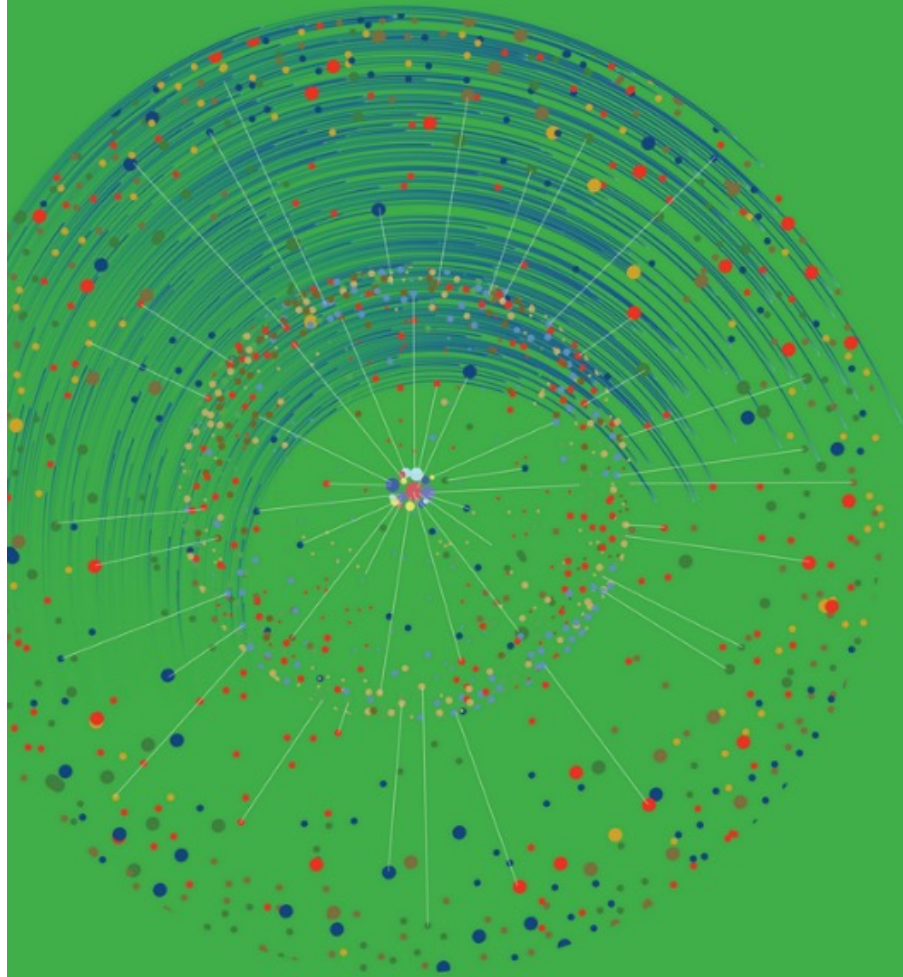
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DAY 3 : Operationalising Article 6



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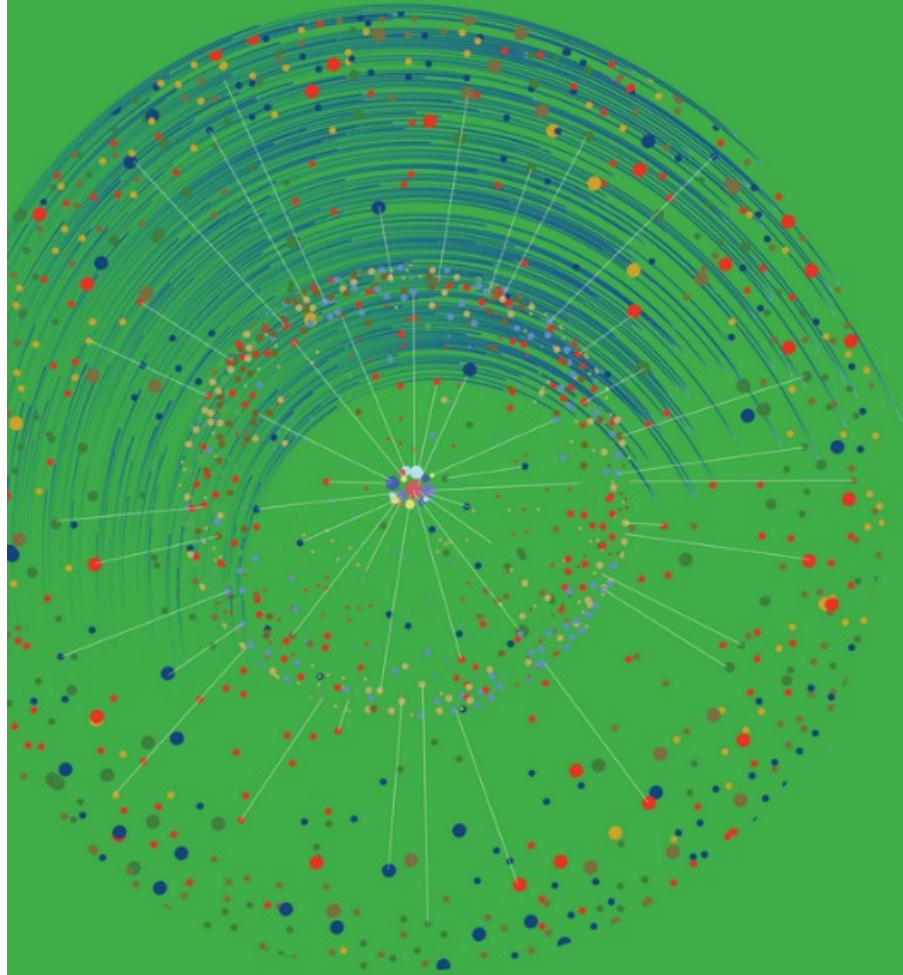


Virtual Presentation

Digital Solutions to operationalise A6

Ms. Ieva Steponaviciute
CAD Trust of World Bank

DAY 3 : Operationalising Article 6



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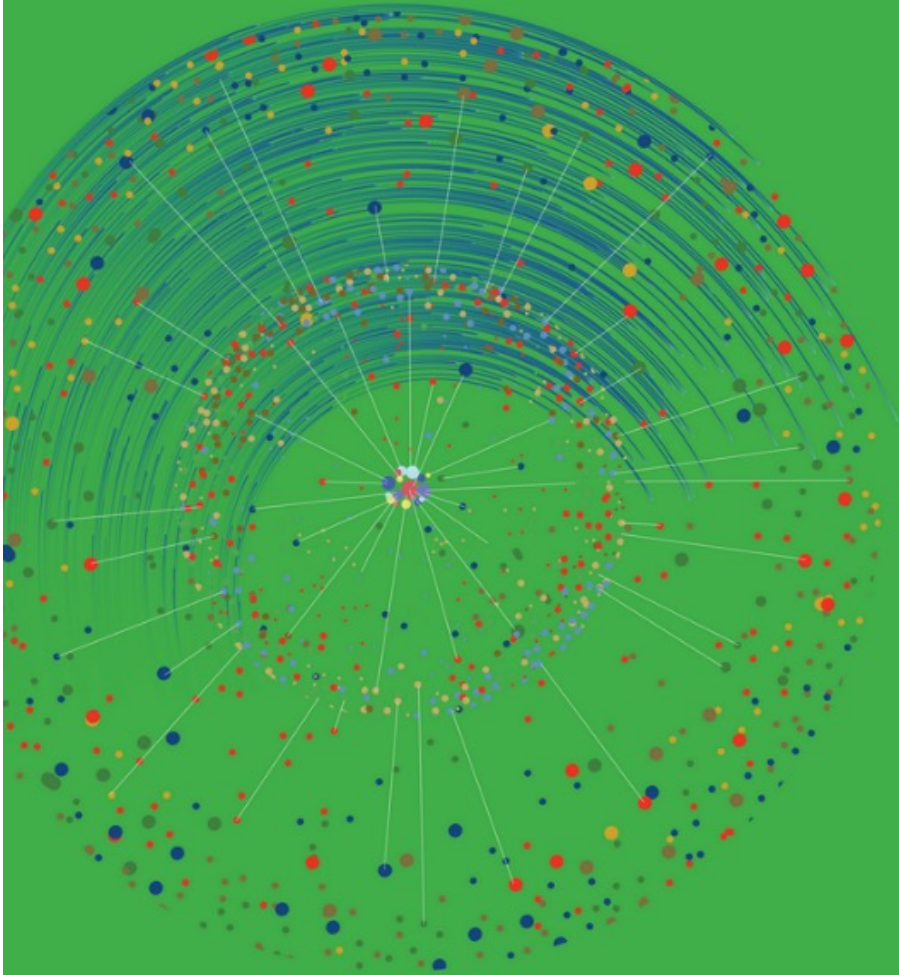


Bhutan Registry Demo

**A demonstration of Bhutan's
registry system and its digital MRV
tools**

**Mr. Lhendup Dorji, Associate
Analyst, from DHI**

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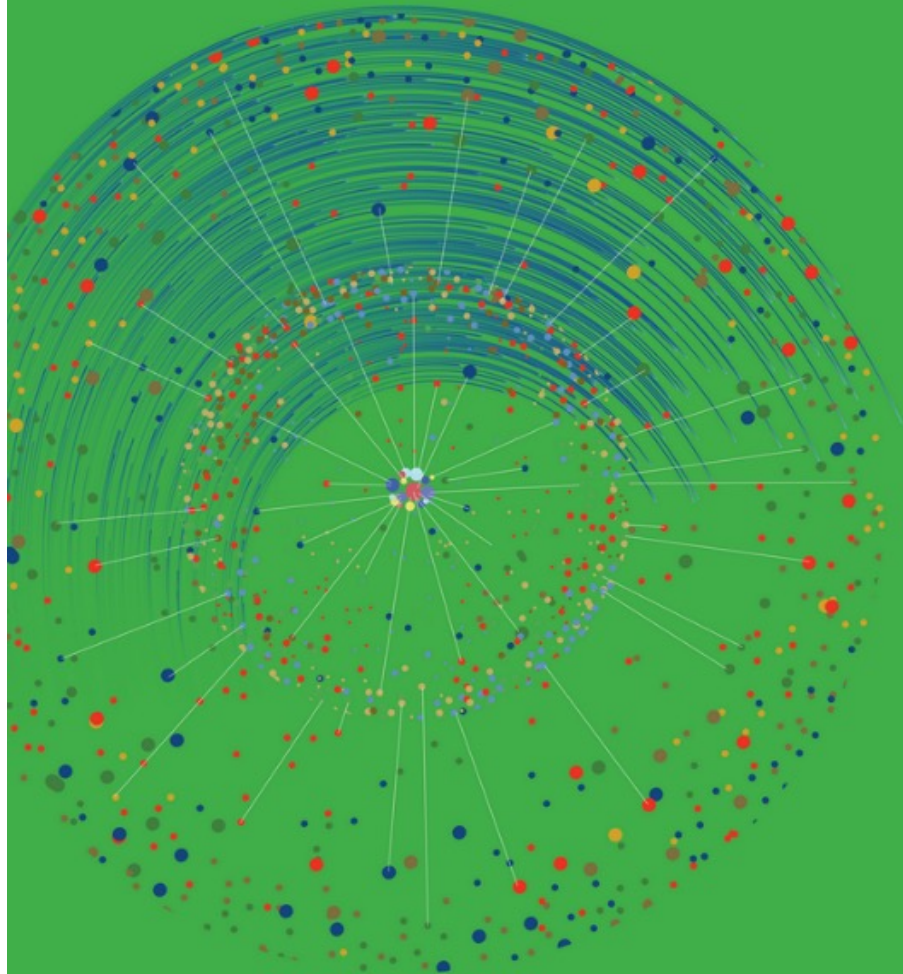


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Break

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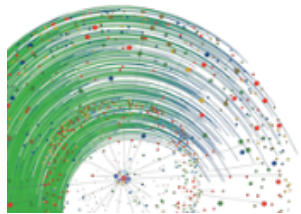


Country Presentations and Discussion

Article 6.4 Readiness (Self-Assessment Exercise)

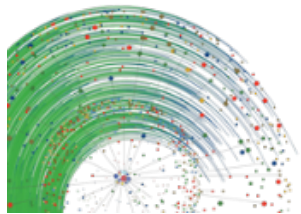


Checklist to an initial stocktake of Article 6.4 readiness status



Part 1. DNAs – Host Party : Responsibilities (“shall”)

Preparation of Host Party participation requirements for Article 6.4 mechanism [\(A6.4-FORM-GOV-001\)](#).

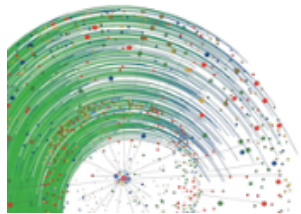


Part 2. Agreed Electronic Format (30 min)



General Instructions:

- You are provided with the template of the Agreed Electronic Format.
- Fill AEF for 2024.



The Draft AEF– annex VII of decision 6/CMA.4

Annex VII*

Draft version of the agreed electronic format referred to in decision 2/CMA.3, annex, chapter IV.B (Annual information)

[English only]

Draft version of the agreed electronic format is available digitally at <https://unfccc.int/documents/624366>.

{Required fields are in bold}

Table 1: Heading

Party	Party
Reported year	Year

^a The annual period from 1 January to 31 December during which actions occurred.

Table 2: Actions

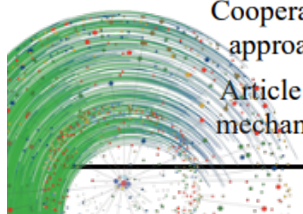
Article 6 database record ID	Cooperative approach ^a	Unique identifier				Metric and quantity			ITMO details			
		First unique identifier^b	Last unique identifier^c	Underlying unit block start ID ^d	Underlying unit block end ^e	Metric^f	Quantity (expressed in metric) ^g	Quantity (t CO₂ eq)	Conversion factor (reporting Party) ^h	First transferring participating Party^j	Vintage ^j	Sector(s) ^k
	Cooperative approach Article 6.4 mechanism										Energy IPPU AFOLU Waste	

What each column means?

What kind of information country needs to prepare?

How to put information?

Mock up test in AEF



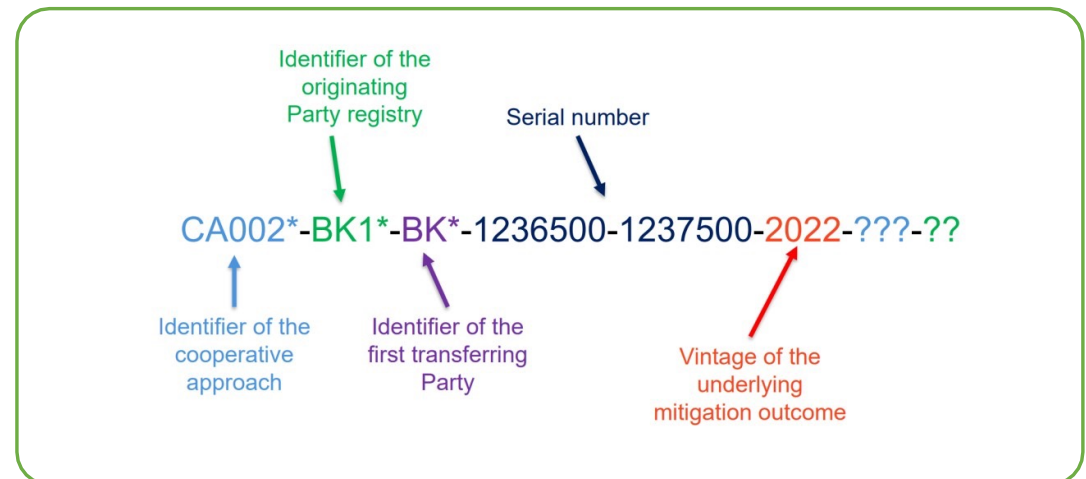
ITMO unique Identifiers

Each ITMO must have a unique identifier (ID). The guidance on registries specifies the minimum components of the ITMO IDs.

Minimum ITMO ID components

- (1) The identifier of the cooperative approach;
- (2) The identifier of the originating party registry;
- (3) The identifier of the first transferring party;
- (4) The serial number;
- (5) The vintage of the underlying mitigation outcome.

Source: Decision 6/CMA.4, Annex I, para. 5



Source: UNFCC Secretariat, 2023



(Table continues)

Authorization				Actions							
Date of authorization ^a	Authorization ID ^b	Purposes for authorization	OIMP authorized by the Party ^c	First transfer definition ^d	Action date ^e	Action type ^f	Transferring participating Party ^g	Acquiring participating Party ^h	Purposes for cancellation ⁱ	Using participating Party or authorized entity or entities	First transfer ^j
		NDC OTMP NDC and OTMP		Authorization Issuance Use or cancellation							

^a Name/ID of the cooperative approach as per common nomenclatures, which are to be established at CMA 5 (November–December 2023).

^b First ITMO unique identifier.

^c Last ITMO unique identifier.

^d Underlying unit block start ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.

^e Underlying unit block end ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.

^f GHG or non-GHG.

^g For non-GHG, the metric in which the ITMO was generated as per common nomenclatures.

^h The conversion method or factor of the non-GHG units in the reporting Party's as per decision 2/CMA.3, annex, para. 22(d).

ⁱ Participating Party in which the mitigation outcome was generated as per common nomenclatures.

^j Year in which the mitigation outcome occurred.

^k Sector(s) where the mitigation outcome occurred as per common nomenclatures based on IPCC guidelines.

^l Description of the mitigation activity type(s) as per common nomenclatures.

^m Date of authorization by first transferring Party.

ⁿ Authorization ID as assigned by the first transferring Party, may include a link to the public evidence of authorization by the first transferring Party.

^o To be completed when "Purposes for authorization" is "OIMP" or "NDC and OIMP".

^p If OIMP is authorized, the first transferring participating Party definition of "first transfer" as per decision 2/CMA.3, annex, para. 2(b).

^q Date on which the action was executed in the registry of the reporting Party.

^r Action type as per decision 2/CMA.3, annex, para. 20(a), and any further relevant guidance.

^s Initiating participating Party, including for cancellations and uses.

^t Participating Party receiving the ITMOs.

^u For relevant actions, the specific purposes for cancellation towards which ITMOs can be or were used.

^v Approach for first transfer as per decision 2/CMA.3, annex, para. 2, to be clarified, subject to defining the list of actions as per note "r" above.

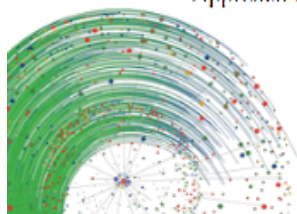
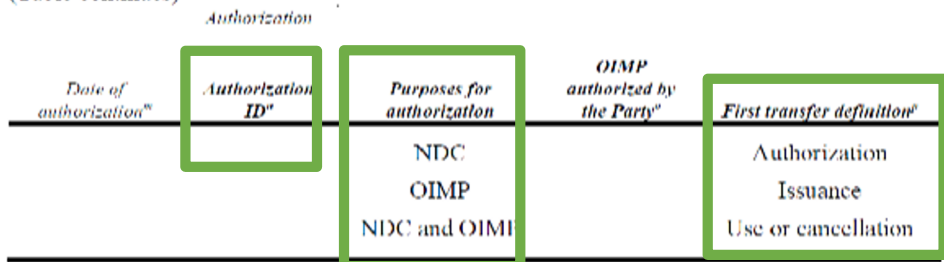


Table 3: Holdings

Article 6 database record ID	Cooperative approach ^a	Unique identifier				ITMO Metric and quantity		Conversion factor (reporting Party) ^g	First transferring participating Party ⁱ	ITMO details		
		First unique identifier ^b	Last unique identifier ^c	Underlying unit block start ID ^d	Underlying unit block end ^e	Metric ^f	Quantity (expressed in metric) ^h			Quantity (t CO ₂ eq)	Vintage ^j	Sector(s) ^k
	Cooperative approach Article 6.4 mechanism											Energy IPPU AFOLU Waste

(Table continues)



^a Name/unique identifier of the cooperative approach as per common nomenclatures, which are to be established at CMA 5 (November–December 2023).

^b First ITMO unique identifier.

^c Last ITMO unique identifier.

^d Underlying unit block: start ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.

^e Underlying unit block: end ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.

^f GHG or non-GHG.

^g For non-GHG, the metric in which the ITMO was generated as per common nomenclatures.

^h The conversion method or factor of the non-GHG units in the reporting Party's as per decision 2/CMA.3, annex, para. 22(d).

ⁱ Participating Party in which the mitigation outcome was generated as per common nomenclatures.

^j Year in which the mitigation outcome occurred.

^k Sector(s) where the mitigation outcome occurred as per common nomenclatures based on IPCC guidelines.

^l Description of the mitigation activity type(s) as per common nomenclatures.

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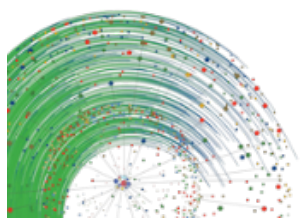


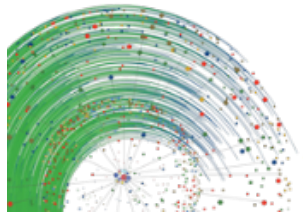
Table 3: Holdings

Article 6 database record ID	Cooperative approach ^a	Unique identifier				ITMO Metric and quantity		Conversion factor (reporting Party) ^h	First transferring participating Party ⁱ	ITMO details		
		First unique identifier ^b	Last unique identifier ^c	Underlying unit block start ID ^d	Underlying unit block end ^e	Quantity (expressed in metric) ^f	Quantity (t CO ₂ eq)			Vintage ^g	Sector(s) ^k	Activity type(s) ^l
	Cooperative approach Article 6.4 mechanism										Energy IPPU AFOLU Waste	

(Table continues)

Date of authorization ^m	Authorization ID ⁿ	Purposes for authorization	OIMP authorized by the Party ^o	First transfer definition ^p
		NDC OIMP NDC and OIMP		Authorization Issuance Use or cancellation

^a Name/unique identifier of the cooperative approach as per common nomenclatures, which are to be established at CMA 5 (November–December 2023).
^b First ITMO unique identifier.
^c Last ITMO unique identifier.
^d Underlying unit block start ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.
^e Underlying unit block end ID for ITMOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.
^f GHG or non-GHG.
^g For non-GHG, the metric in which the ITMO was generated as per common nomenclatures.
^h The conversion method or factor of the non-GHG units in the reporting Party's as per decision 2/CMA.3, annex, para. 22(d).
ⁱ Participating Party in which the mitigation outcome was generated as per common nomenclatures.
^j Year in which the mitigation outcome occurred.
^k Sector(s) where the mitigation outcome occurred as per common nomenclatures based on IPCC guidelines.
^l Description of the mitigation activity type(s) as per common nomenclatures.
^m Date of authorization by first transferring Party.
ⁿ Authorization ID as assigned by the first transferring Party, may include a link to the public evidence of authorization by the first transferring Party.
^o To be completed when "Purposes for authorization" is "OIMP" or "NDC and OIMP".
^p If OIMP is authorized, the first transferring participating Party definition of "first transfer" as per decision 2/CMA.3, annex, para. 2(b).





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