ARTICLE 6 OF THE PARIS AGREEMENT

UPDATES

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Role of Article 6



Article 6 of the Paris Agreement: tool to implement NDCs and LT-LEDS under voluntary cooperation between parties

NDC & LT-LEDS

<u>Article 6:</u> Voluntary cooperation to allow for higher ambition and to promote sustainable development and environmental integrity

Article 6.2

Cooperative approaches that involves transfers of mitigation outcomes from one country to another towards achieving NDC targets.

Article 6.4

A <u>centralized crediting</u> <u>mechanism</u> under the purview of the UNFCCC which <u>issues</u> <u>units (A6.4ERs).</u>

Article 6.8

Other types of cooperation that contribute to mitigation and adaptation goals, but do not involve transfer of units among cooperating parties.

Paris Agreement Crediting Mechanism (PACM)



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

The mechanism shall aim to:



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



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



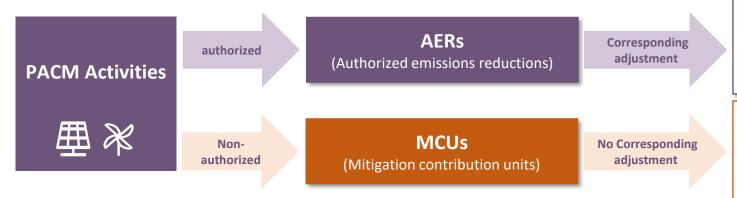
Incentivize and facilitate
participation in the mitigation of
GHG by public and private entities
authorized by a Party



To deliver an overall mitigation in global emissions

o Registered activities issue Article 6.4 Emission Reductions (A6.4ERs), which come in

two types:



- Used by Participating Parties:
 Contribute to achieving NDCs and the Paris' goal
- Used for other international mitigation purposes:
 Contribute to achieving CORSIA by ICAO and IMO's 2050 net-zero
- Used by private companies:

Contribute to achieving their 'net-zero' targets and the Paris' goal

Used by all stakeholders:

Contribute to complying with their mandatory targets under domestic carbon pricing measures
Contribute to mobilizing the climate finance

Article 6 Rule Books



9-year Journey for the Full Operationalization









Adoption of the Paris Agreement

A6.2 Cooperative approaches

A6.4
Paris Agreement
Crediting
Mechanism
(PACM)

A6.8 Non-market approaches Completion of the Paris Rulebook

2021

Adoption of the Guidance:

ITMOs, Participation requirements, CA methods, Reporting, Review, Infra for recording and tracking ITMOs

Adoption of the RMP:

Reporting

Supervisory Body, Host Party requirements, Activity cycle, Registry, SOP & OMGE, CDM transition

Adoption of the Work Programme: Principles, Non-market approaches, Governance, Modalities, Activities, Adoption of further rules

2022

Further guidance on:

Infra for recording and tracking ITMOs, Review guideline and rules and training programme for review team, Outline for reports incl. draft version of agreed electronic format

Further guidance on:

Procedure for transition of CDM activities and CERs, Reporting by Host Parties, Operation of the registry, Processes for SOP & OMGE, Rules of procedure of SB

Further decisions on:

Schedule for implementing activities, Non-market platform, Additional focus areas for the activities Completion of further guidance

2024

Further guidance on:

Authorization, First transfer, Reporting format and additional elements, Inconsistencies of reported information and their consequences, Function of registries

Further guidance on:

Standards for methodologies and removals, SD tools, Appeals and grievance process, Procedures for SB's decision making, Interoperability of the registry, authorization

Completion of Work Programme Phase 1:

Assessment of phase 1, recommendations, NMA platform and capacity building for phase 2

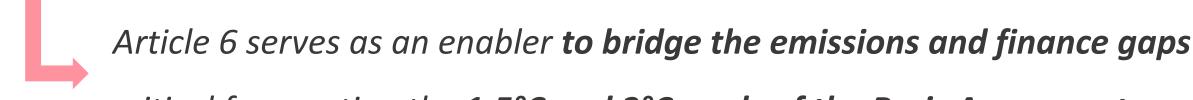
Article 6 in NDCs



NDCs 2.0: 78% of the Parties indicated their intention to use Article 6

A6.2	A6.4	A6.8
52%	34%	25%

NDCs 3.0: To date, over 90% of Parties have indicated their intention or potential to use Article 6



critical for meeting the 1.5°C and 2°C goals of the Paris Agreement.

NDC 3.0 Updates (as of 10 September 2025)



- 38 Parties submitted NDC 3.0 (2035 target)
- 25 Parties clearly indicate their intention to use Article 6.
- 1 Party—Japan explicitly indicates the expected amount of ITMOs (100M JCM credits 2031-2040)

Intention to use A6				
Use (25)	Reserve (10)	Not use (2)	Not mention (1)	
Sellers: Angola, Barbados, Belize, Brazil, Cambodia, Cuba, Ecuador, Eswatini, Holy see, Kenya, Maldives, Moldova, Nepal, Niue, Nigeria, Solomon Islands, Somalia, St. Lucia, and Zambia. Buyers: Canada, Japan, Liechtenstein, Norway, Singapore, and Switzerland.	Andorra, Iceland, Marshall Islands, Monaco, Montenegro, New Zealand, UAE, U.K., U.S., and <mark>Uruguay.</mark>	Australia, Serbia	Honduras, Jordan, Nicaragua, Tunisia, Zimbabwe	

^[1] An NDC with a target year of 2035, in accordance with para 2 of decision 6/CMA.3 (Common time frames for NDCs).

^[2] As per paragraph 25 of decision 1/CP.21, the submission deadline for NDC 3.0 was from 10 November 2024 to 10 February 2025.

Article 6.2 at a Glance (As of Sep. 2025)



14

15

5

Cooperative Approaches submitted

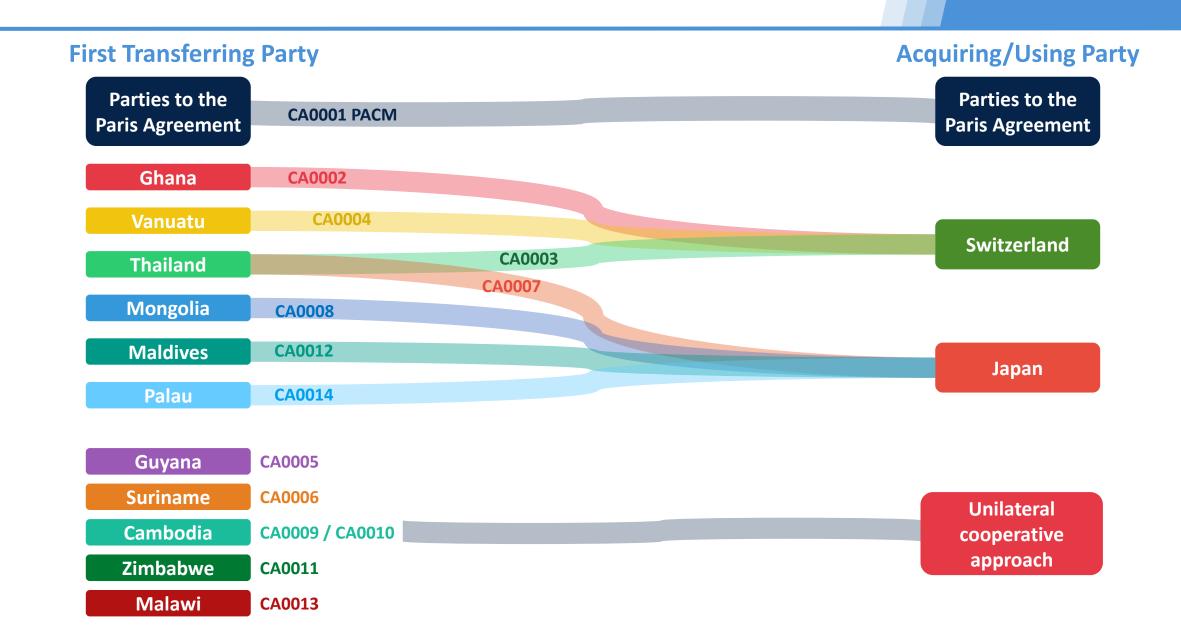
Parties submitted Initial Reports (IRs)

Initial Reports with finalized Article 6.2
Technical Expert Review

CA0001 has been assigned to the Article 6.4, Paris Agreement Crediting Mechanism (PACM)

Cooperative Approaches





Article 6.4: PACM, Open for Business



17 Supervisory Body meetings since 2022 adopted key documents for PACM operationalization – now open for business!

12

16

1

80

Standards adopted

(incl. methodology requirements, activity, accreditation, baseline setting)

Procedures adopted (incl. SBM rules, appeal & grievance)

Tool adopted (sustainable development)

Forms adopted (incl. SBM rules, appeal & grievance)



Article 6.4: PACM, Open for Business



Projects

- **11** of 1,508 CDM transition requests **registered**
- 1,075 prior consideration notifications from 106 host Parties underway

Methodologies

• 5–6 methodologies to be adopted in Q2 2026

Designated Operational Entities

- 6 DOEs accredited out of 20 applicants
- 4 DOEs recommended for accreditation

PA CM

Issuance

• The first Article 6.4 Emission Reductions (A6.4 ERs) expected to be issued within this year

Article 6 Capacity Building activities



Article 6 Capacity Building Activities		
Capacity Building Events organized globally by the Secretariat (including through the RCCs): of which: Virtual In-person	70 50	
Article 6 Technical Expert Review Training (approx. 150 people trained or more)		
Direct country support	7	

New Knowledge Products:

- 1. A.6 guidance on reporting and
- 2. Article 6 Explainer Series (4 planned, 1 launched):

Launched – Art 6.4 Host Party Participation Requirements Form

- In process due by mid October:
 - 1. Understanding the PACM
 - 2. Transitioning from CDM to PACM (Explainer)
 - 3. Unlocking Article 6 Potential and Catalyzing Climate Change
- CDM Transition to PACM Video Series:

Developed by the A6CB Unit due for launch in end September, followed by special regional clinics organized by RCCs and Secretariat

Thank you!



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