

A6IP Capacity Building Tools: Article 6 Introductory Guide

Part II: Authorization



Paris Agreement Article 6
Implementation Partnership Center

Authorization under Article 6.2

“Authorization” enables mitigation outcomes to be used towards NDCs and/or other international mitigation purposes (OIMPs). Authorization is provided by participating Parties to the cooperative approach. By providing authorization, the participating Party commits to appropriately account and report about their participation to avoid double counting consistent with the guidance under Article 6.2.

Article 6 Rulebook on authorization

Paris Agreement Article 6.3

The use of ITMOs to achieve NDCs shall be voluntary and **“authorized”** by participating Parties.

Article 6.2 Guidance (Decision 2/CMA.3)

Requirement to have in place
authorization arrangements

Reporting on authorization

Decision 4/CMA.6

Process for and timing of
authorization

Change to authorization

Content of the
authorization

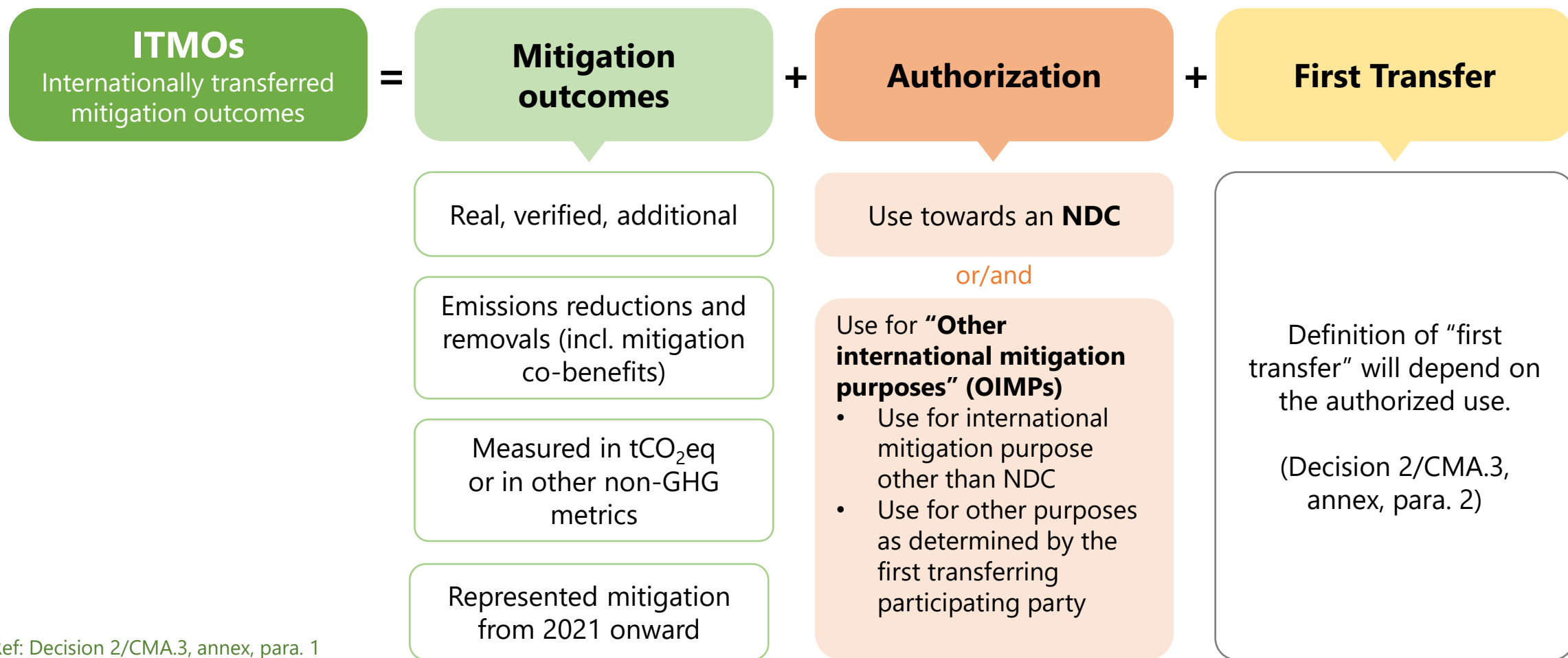
Public repository of
authorization (CARP)

Format of the
authorization

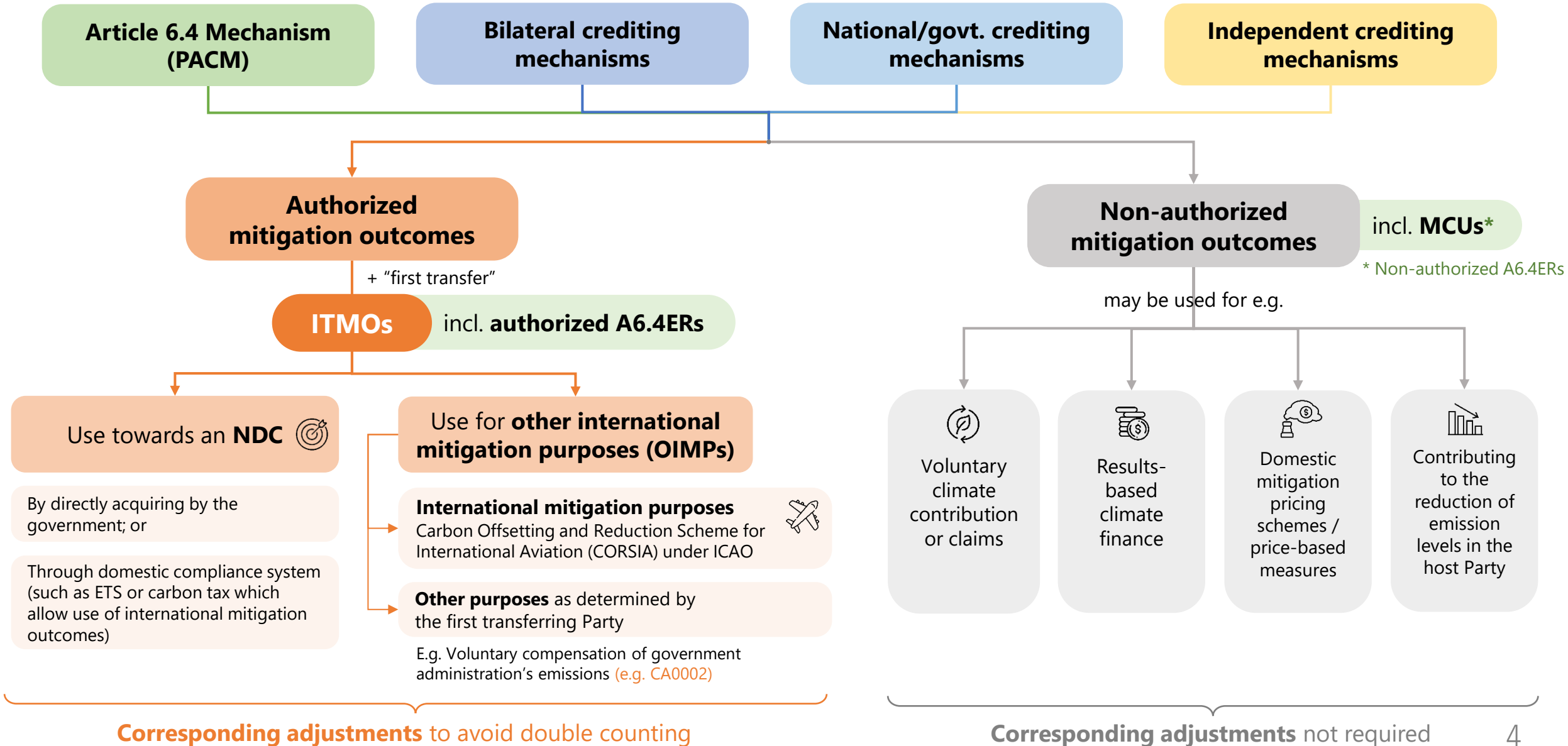
Authorization table in
updated draft AEF

Authorization defines ITMOs

Decision 2/CMA.3, annex, para. 1 provides description of “**internationally transferred mitigation outcomes**” (**ITMOs**), in which authorization is an essential element which defines ITMOs and their use cases.



Overview of use cases of mitigation outcomes



Authorization and NDC

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

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

How the Article 6.2 participation contributes to the NDC

(Examples from submitted initial reports)

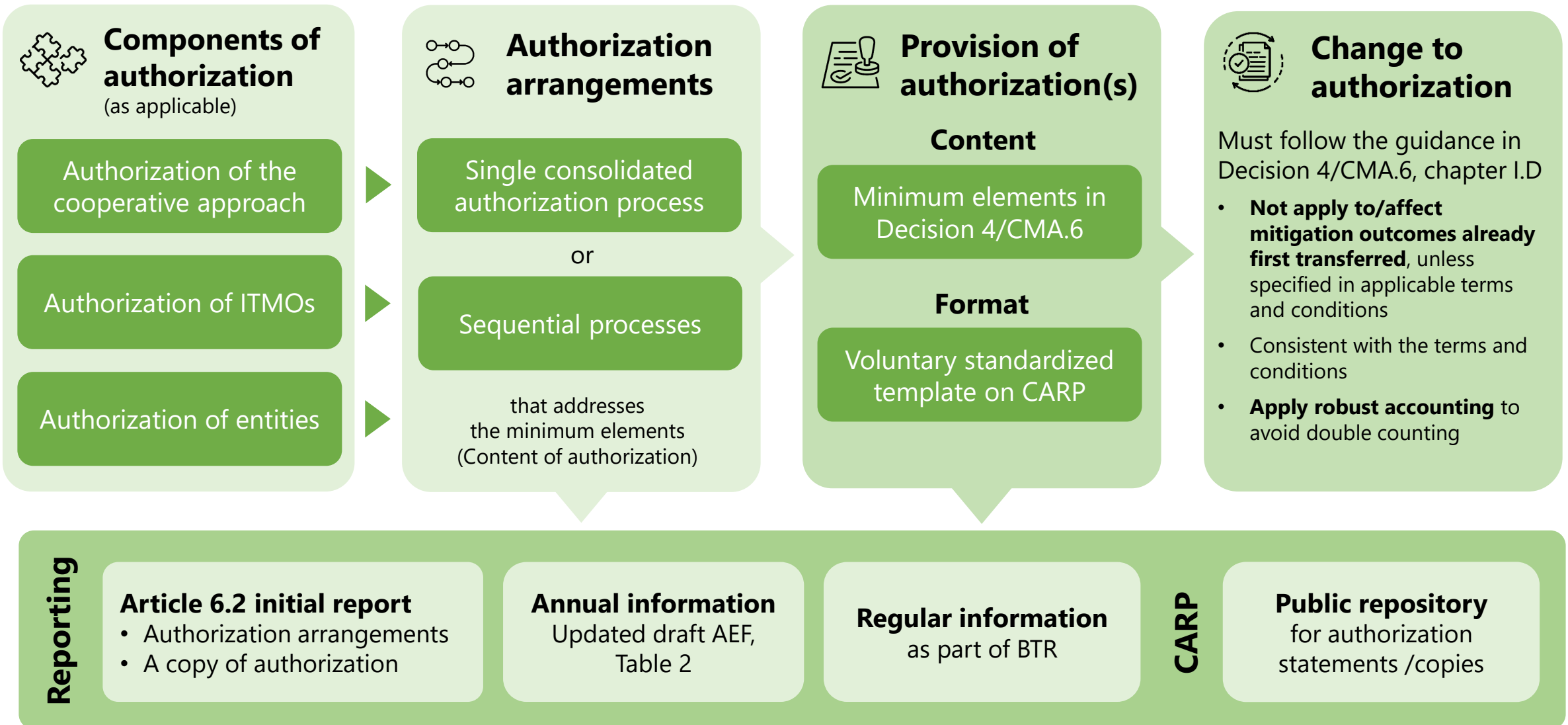
Article 6 role in NDC implementation

- Implement activities that would not have happened without international support
- Promotes development and transfer of advanced technologies and innovation and provides access to financial resources
- Implement in line with country's priorities, policies and sectoral mitigation plans

How Article 6 is used towards NDC

- Contribute to a portion of conditional mitigation target
- Increase NDC ambition by enabling mitigation activities beyond those identified under NDC

Guidance relating to authorization

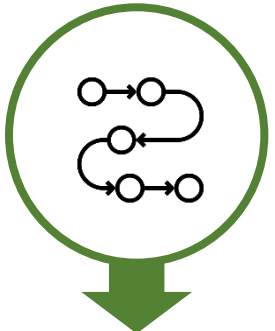


Authorization arrangements



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

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



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

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



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

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

Content of authorization

Decision 4/CMA.6, chapter I.B specifies **14 minimum elements** to be included in the authorization.

Cooperative approach	Coverage	Governance	Accounting/Tracking
(a) A unique identifier for the cooperative approach, obtained from CARP, where available	(c) Date and duration of the authorization	(f) Identification of/cross-reference to underlying regulations, frameworks, standards or procedures, including any specific methodologies underpinning the cooperative approach	(d) Specification of the first transfer of the mitigation outcome
(b) The name(s) of the participating Party(ies) and/or entities, if known	(e) Uses covered by the authorization		(i) Identification of the registry for the purpose of tracking and recording ITMOs
	(h) The quantity of ITMOs, if applicable	(g) Information on the circumstances in which changes to the authorization may occur and a description of the process for managing them	(j) Identification of the relevant registry(ies) in the underlying regulations, frameworks, standards or procedures, as applicable
	(k) The vintage(s) covered by the authorization		
	(l) The metrics and units of measurement or conversion and the GHG covered		
	(m) The sector(s) covered, if applicable		
	(n) The activity type(s) and/or activity(ies) covered, if applicable		

Note: This slide summarizes the content referred to in the decision, for the full description of each element please refer to the decision.

Reporting on authorization

Information relating to authorization is reported in different types of Article 6.2 reports as shown below.

Type of report	Components of authorization		
	Cooperative approach	ITMOs	Entities
Initial Report	<ul style="list-style-type: none">• Authorization arrangements (Participation responsibilities)• A copy of the authorization by the participating party		
			Authorized entities
Annual information (Updated draft AEF Table 2)		Annual information on authorization of ITMOs for NDC and OIMPs	The using authorized entity or entities (as soon as known)
		The OIMP authorized by the Party	
Regular information	Authorizations and information on authorization(s), including any changes to earlier authorizations		
		Annual quantity of authorized mitigation outcomes and entities authorized to use such mitigation outcomes, as appropriate (in a structured summary)	

Changes to authorization

Where changes to the authorization may occur, Party shall include in the authorization information on the circumstances in which such changes may occur and a description of the process for managing them in a way that avoids double counting. (Decision 4/CMA.6, chapter I.D.)

Terms and conditions of the authorization

- The circumstances which changes to authorization may occur
- The process for managing them in a way that avoids double counting



Changes to authorization

Shall be consistent with the terms and conditions



Implications of changes to authorization

- Shall **not apply to, or affect, mitigation outcomes that have already been first transferred**, unless otherwise specified in applicable terms and conditions
- Shall **apply robust accounting** to ensure that any changes do not lead to double counting



Key consideration on authorization

	Description	Key consideration
1	Determine the scope of use of Article 6 (Article 6 Strategy)	<input type="checkbox"/> How does the country intend to use Article 6 in the context of their NDCs? <input type="checkbox"/> What mitigation objectives will the country authorize ITMOs for?
2	Develop national authorization process	<input type="checkbox"/> Which body should be tasked with providing authorization? What legal, policy or institutional arrangement is needed for this purpose? <input type="checkbox"/> How should the authorization process look like in the country?
3	Develop authorization criteria/terms and provisions	<input type="checkbox"/> What should be the criteria to decide whether to authorize ITMOs or not? <input type="checkbox"/> What should be the authorization terms and provisions?
4	Determine the accounting approach	<input type="checkbox"/> Which corresponding adjustment method should the country apply? <input type="checkbox"/> Defining application of "first transfer" under Article 6.2
5	Track and report on authorization (Link with tracking/reporting tools)	<input type="checkbox"/> How should authorization of ITMOs be tracked? <input type="checkbox"/> What are the reporting requirements under Article 6 relating to authorization

Key elements in an authorization framework

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

Primary legislation / Regulations	Subordinate legislation / Operational guidelines	Other documents
Authorization arrangements		
<ul style="list-style-type: none">- Legal mandate and authority relating to authorization (if not in place already)- High-level principles guiding authorization	Procedures for request and review/approval of authorization	<ul style="list-style-type: none">- Operational manual for officials- Manual/guidance for mitigation activity developers
	Authorization criteria, terms and provisions	<ul style="list-style-type: none">- Authorization request form- Authorization statement/ LoA template- Other forms and templates, as needed
	Other relevant procedures	
Related arrangements		
Mandate to put in place/manage ITMOs tracking arrangements	Functional requirements of a registry	Terms of reference for a registry
	Registry operational procedures	User manual
Reporting mandate, including avoidance of double counting	Procedures for reporting and performing corresponding adjustments	Explanatory documents



Simplified checklist for authorization arrangements

In formulating the authorization arrangements, countries may address the following key elements:

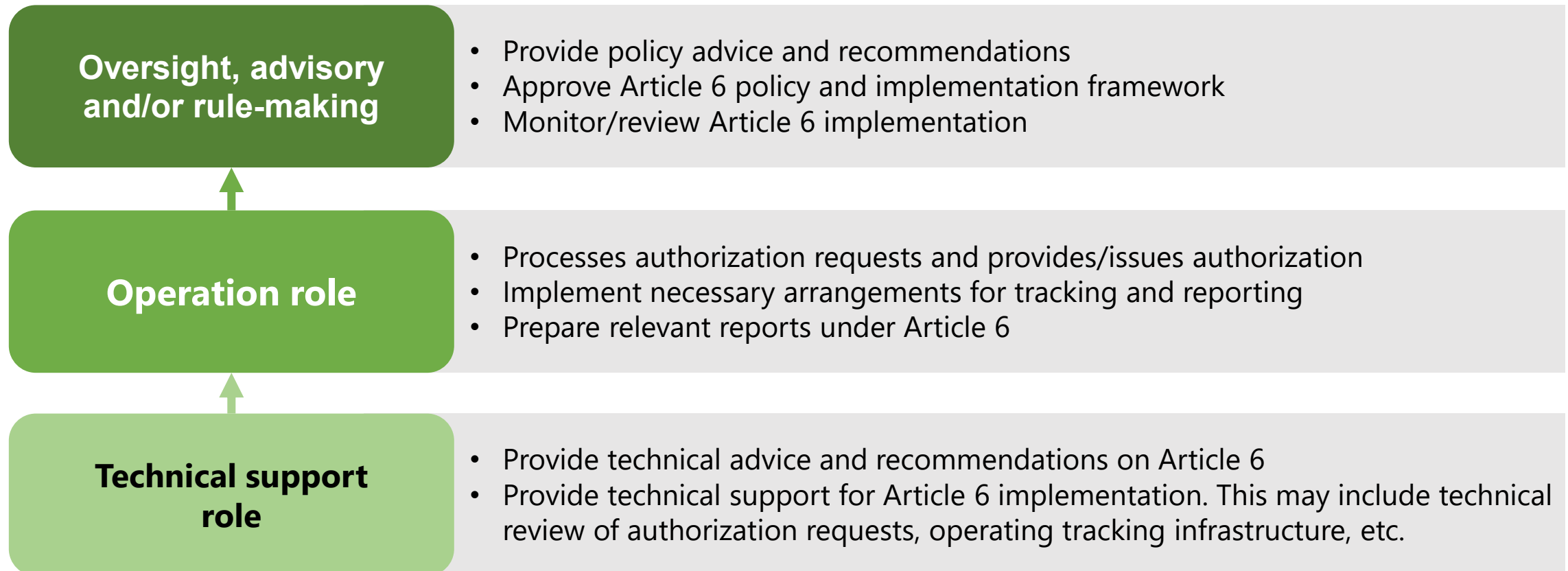
Item	Checklist	
1	Designate an authority to provide authorization	<input type="checkbox"/>
2	Specify the roles and responsibilities of the authorizing authority and relevant bodies	<input type="checkbox"/>
3	Formulate authorization process	<input type="checkbox"/>
4	Formulate authorization consideration (criteria, terms and conditions)	<input type="checkbox"/>
5	Whether changes to authorization may occur and if so, the terms and conditions relating to such changes and how to manage them	<input type="checkbox"/>
6	Select corresponding adjustments method and other accounting aspects (ITMOs metric, first transfer definition)	<input type="checkbox"/>
7	Develop or make use of available authorization statement template	<input type="checkbox"/>

Consideration of authorization arrangements

(Institutions)

Article 6 implementation usually involves various bodies based on national context and arrangements. Roles and responsibilities relating to Article 6 implementation may be generally categorized into:

Examples of roles and responsibilities



Consideration of authorization arrangements (Institutions)

Examples of key considerations in formulating institutional arrangements for authorization:

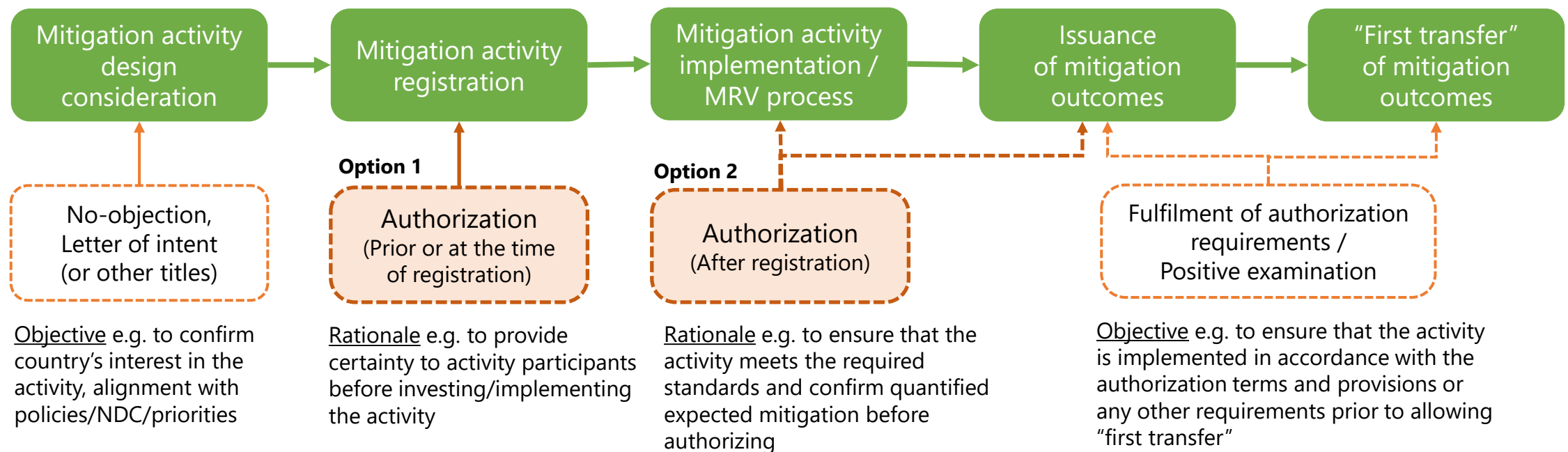
Topics	Consideration	Example of countries
Authority to provide authorization	Similar body to CDM DNA	Cambodia, Rwanda, Sweden, Switzerland, Vanuatu
	Similar body to UNFCCC National Focal Point (NFP) (in case different from CDM DNA)	Thailand
Bodies involved in the authorization process	Inter-ministerial committee (Oversight/advisory and/or rulemaking)	Ghana, Japan, Rwanda, Thailand, Switzerland
	Inter-ministerial technical working group/committee	Ghana
	Intra-ministerial technical working group/committee	Cambodia
Engagement of private sector	Represent as part of the member of a committee(s) or a working group(s) (e.g. in a form of a federation)	Ghana, Rwanda, Thailand

Incorporating authorization arrangements with mitigation activity cycle

Authorization and related processes, as applicable, may occur at different stage of mitigation activity cycle based on different authorization framework and arrangements.

The diagram below aims to illustrate how various authorization processes are incorporated into the mitigation activity cycle. (Please note the each process below is not necessarily applied by all countries).

Standard mitigation activity cycle (Simplified)



Key consideration for authorization

- ❑ How the authorization consideration ensures that the mitigation activity contributions to the implementation of the country's NDC (Ref: [Decision 2/CMA.3, annex, para. 4 \(f\)](#))
- ❑ How the authorization consideration ensures that the transfer of mitigation outcomes will not undermine the country's ability to achieve its own NDC
- ❑ How the authorization consideration addresses elements required for Article 6 reporting, including on, among others, environmental integrity and sustainable development (Ref: [Decision 2/CMA.3, annex, paras. 18-22](#))

Areas of ITMOs authorization criteria

Authorization consideration usually involves setting a list of eligibility criteria used in determining whether the authorization will be provided.

Examples of authorization criteria used by countries may be grouped into the following areas:

NDC and ambition	Environmental integrity	Sustainable development and related matters	Adaptation / OMGE
Relation to NDC	Environmental integrity and related requirements	Contribution to sustainable development	Adaptation contribution
Technology and financial aspects	Applicable mitigation activity standards	Safeguards/no net harm	Overall mitigation in global emissions (OMGE)
Sharing of mitigation benefits		Respect of human rights	Other benefit sharing (if any)

Examples of ITMOs authorization criteria: NDC and ambition

Key consideration relating to NDC and other related aspects may include the following examples:

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

...See next slide for further criteria...

Examples of ITMOs authorization criteria:

Positive list / Whitelist

Countries may develop and publish a list of types of mitigation activities eligible for authorization consideration. These lists are often referred to as “positive list” or “whitelist” and are helpful in providing interested mitigation activity participants with information on the types of mitigation activities the countries are interested in implementing as Article 6.

The list may also be used to allow accelerated process for mitigation activities falling under this list by being automatically complying with certain requirements, such as additionality or relation to the NDC.

Examples of published lists:

Country	Document title	Publication date	Access
India	Revised list of activities under bilateral/cooperative approaches in India under Article 6.2 mechanism of Paris Agreement - reg.	June 2024	Click here
Sri Lanka	The list of positive project areas for implementation of Article 6 of the Paris Agreement in Sri Lanka	September 2024	Click here

Examples of ITMOs authorization criteria:

Sharing of mitigation benefits

Participation in cooperative approaches must contribute to the implementation of the Party's NDC (Decision 2/CMA.3, annex, para. 4 (f)). Each Party is also requested to include in the initial report information on how the mitigation outcomes from the cooperative approach are shared between the participating Parties (Decision 4/CMA.6, annex I).

The followings are non-exhaustive list of approaches a country may apply:

Topics	Authorization criteria	Applied by (Example countries)
Share of mitigation benefits	<input type="checkbox"/> A share of mitigation outcomes will be reserved/levied for domestic use or other purposes	Cambodia, Ghana, Vanuatu
	<input type="checkbox"/> Require demonstration of an appropriate allocation of mitigation outcomes	Thailand, Japan (JCM)
	<input type="checkbox"/> Set a quantitative limit for authorized mitigation outcomes at a level below expected mitigation that can be achieved from the activity	Thailand
	<input type="checkbox"/> Set the authorized crediting period shorter than the expected lifetime/continued mitigation impacts from the activity	Article 6.4 mechanism*
	<input type="checkbox"/> Share of proceeds will be collected/allocated for specific purposes, including mitigation	Zimbabwe

* One of the provisions which may be applied.

Examples of ITMOs authorization criteria:

Environmental integrity

Participating Parties are required to report on how each cooperative approach ensures environmental integrity (Decision 2/CMA.3, annex, para. 18 (h), 22 (b)). Article 6.2 guidance describes key consideration on environmental integrity. Countries may incorporated these elements into the authorization criteria to ensure alignment of implementation with the Article 6.2 guidance.

Topics	Authorization criteria	
Environmental integrity (EI)	<input type="checkbox"/> Comply with EI and related requirements under Article 6.2	<input type="checkbox"/> Real, verified additional (2/CMA.3, annex, para. 1 (a))
		<input type="checkbox"/> No net increase in global emissions (2/CMA.3, annex, para. 18 (h)(i))
		<input type="checkbox"/> Conservative reference levels, conservative baseline below BAU (2/CMA.3, annex, para. 18 (h)(ii))
		<input type="checkbox"/> Taking into account all existing policies (2/CMA.3, annex, para. 18 (h)(ii))
		<input type="checkbox"/> Addressing uncertainties in quantification and potential leakage (2/CMA.3, annex, para. 18 (h)(ii))
		<input type="checkbox"/> Minimizing the risk of non-permanence (2/CMA.3, annex, para. 18 (h)(iii))

Remarks: Countries may set higher standards or elaborate further on the elements addressed in Article 6.2.

Examples of ITMOs authorization criteria:

Applicable mitigation/crediting standards

Authorization framework usually include consideration of applicable mitigation/crediting programs/standards applied by mitigation activities eligible for authorization. The key applicable standards and recognition processes may include:

Key applicable standards	Examples of recognition processes	Example of application
<ul style="list-style-type: none"> <input type="checkbox"/> Article 6.4 Mechanism (PACM) <input type="checkbox"/> Bilateral crediting mechanism such as the JCM <input type="checkbox"/> Nation crediting programs <input type="checkbox"/> Independent crediting programs such as Verra, Gold Standard 	<input type="checkbox"/> Listing of approved standards and methodologies, through review and assessment against established criteria	Singapore, Use for CORSIA
	<input type="checkbox"/> Integration with the national framework e.g. through mutual recognition arrangements	Indonesia
	<input type="checkbox"/> Joint development and approval of standards and methodologies by participating Parties	Japan

Countries may also make use of quality assessment under various schemes, such as CORSIA Eligible Emissions Units, ICVCM CCP-labels and other initiatives (e.g. rating agencies), as the basis or in considering the standards to be approved for use in the country to ensure high integrity and high quality of the mitigation outcomes.

Examples of ITMOs authorization criteria:

Sustainable development and related matters

Participating Parties are required to report on information relating to environmental, economic and social impacts, human rights, and sustainable development (Decision 2/CMA.3, annex, para. 18 (i), 22 (f-h)). Below are examples of approaches countries may take to incorporate these elements into the authorization criteria.

Topics	Authorization criteria	Applied by (Example countries)
Sustainable development	<input type="checkbox"/> Apply appropriate sustainable development tools available by applicable crediting mechanism/standards	Ghana, Singapore
	<input type="checkbox"/> Apply sustainable development tools developed domestically or jointly by partner countries	Japan, Thailand
Safeguards / no net harm	<input type="checkbox"/> Must not violate any applicable laws	Most countries
	<input type="checkbox"/> Refer to domestic regulations relating to environmental impact assessment	Ghana, Thailand
	<input type="checkbox"/> Incorporate into sustainable development guideline/tools	Thailand
Respect for human rights	<input type="checkbox"/> Require specification in the mitigation activity design document	Ghana
	<input type="checkbox"/> Incorporate into sustainable development guideline/tools	Thailand

Ambition in mitigation and adaptation actions

Participating Parties are strongly encouraged to commit to contribute resources for adaptation, in particular through contributions to the Adaptation Fund and to cancel ITMOs that are not counted towards any Party's NDC or for other international mitigation purposes, to deliver overall mitigation in global emissions (OMGE) (Decision 2/CMA.3, annex, paras. 37-40).

Examples of approaches applied by countries are:

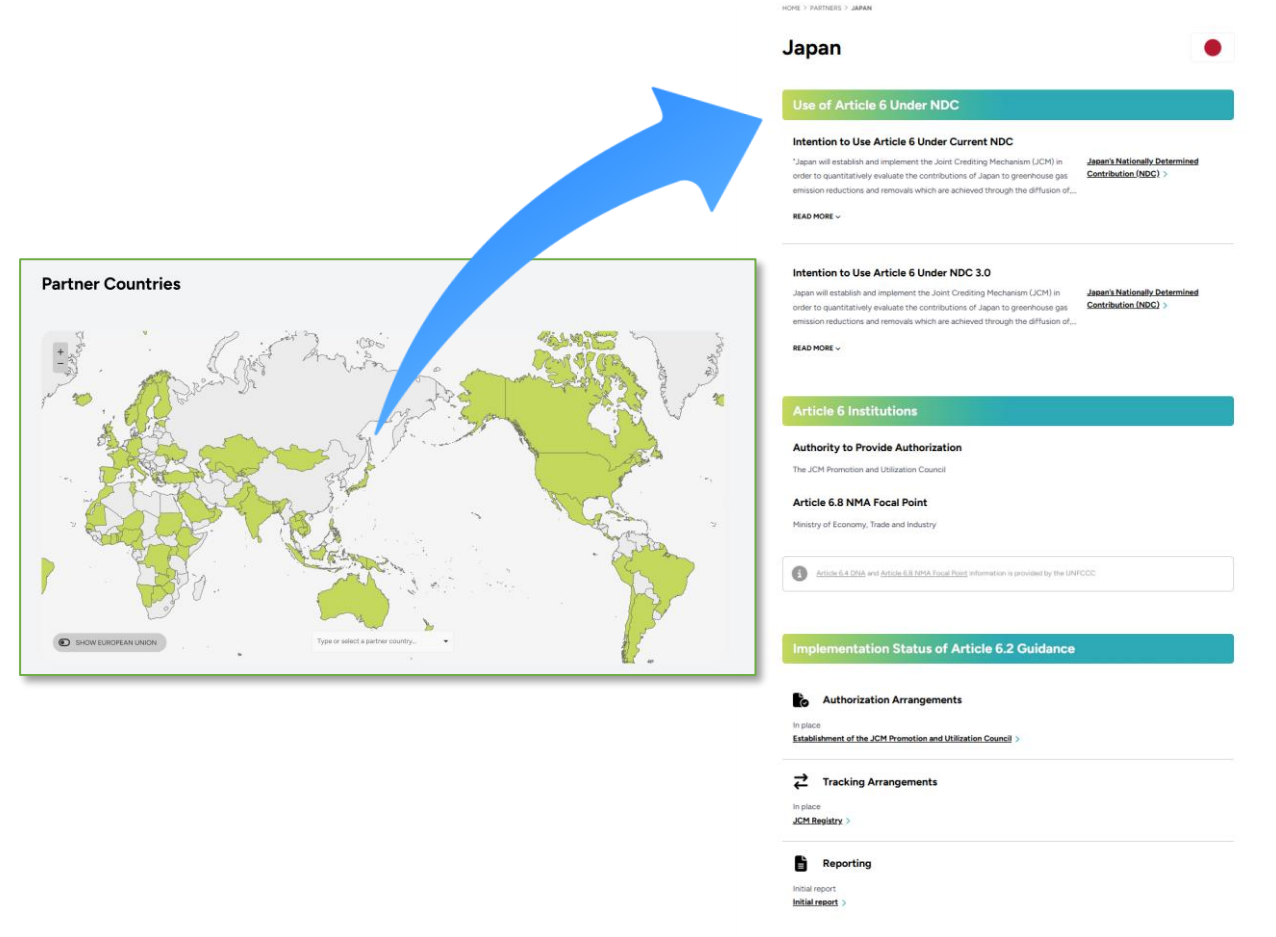
Topics	Approaches	Applied by (Example countries)
Adaptation contribution	<input type="checkbox"/> Voluntary contribution to the Adaptation Fund	Switzerland
	<input type="checkbox"/> Share of proceeds levied and reserved as a contribution to adaptation in the country	Cambodia, Ghana
	<input type="checkbox"/> Incorporate into sustainable development guideline/tools	Cambodia
Overall mitigation in global emissions (OMGE)	<input type="checkbox"/> Voluntary cancellation of a percentage of ITMOs acquired	Switzerland
	<input type="checkbox"/> Reserve a percentage of issued MOs which may be used for NDC or to contribute to OMGE	Ghana, Vanuatu
	<input type="checkbox"/> By applying additionality and conservative baseline to mitigation activities	Thailand

Explore authorization frameworks from A6IP website

The Partner Country Pages on the A6IP Center website provide a one-stop information hub where users can access up-to-date information on each country's status of their Article 6 implementation, including **authorization arrangements status, as well as key policy, strategy, and framework documents** that guide their participation in Article 6.



Visit A6IP website
<https://a6partnership.org/>





Article 6 Expert Training, Sep. 25-27, 2024, Hayama, Japan

With resource persons from A6IP Center, UNFCCC secretariat, World Bank, UNEP CCC, IETA, CAD Trust, IATA, and MoEJ.

Any questions

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