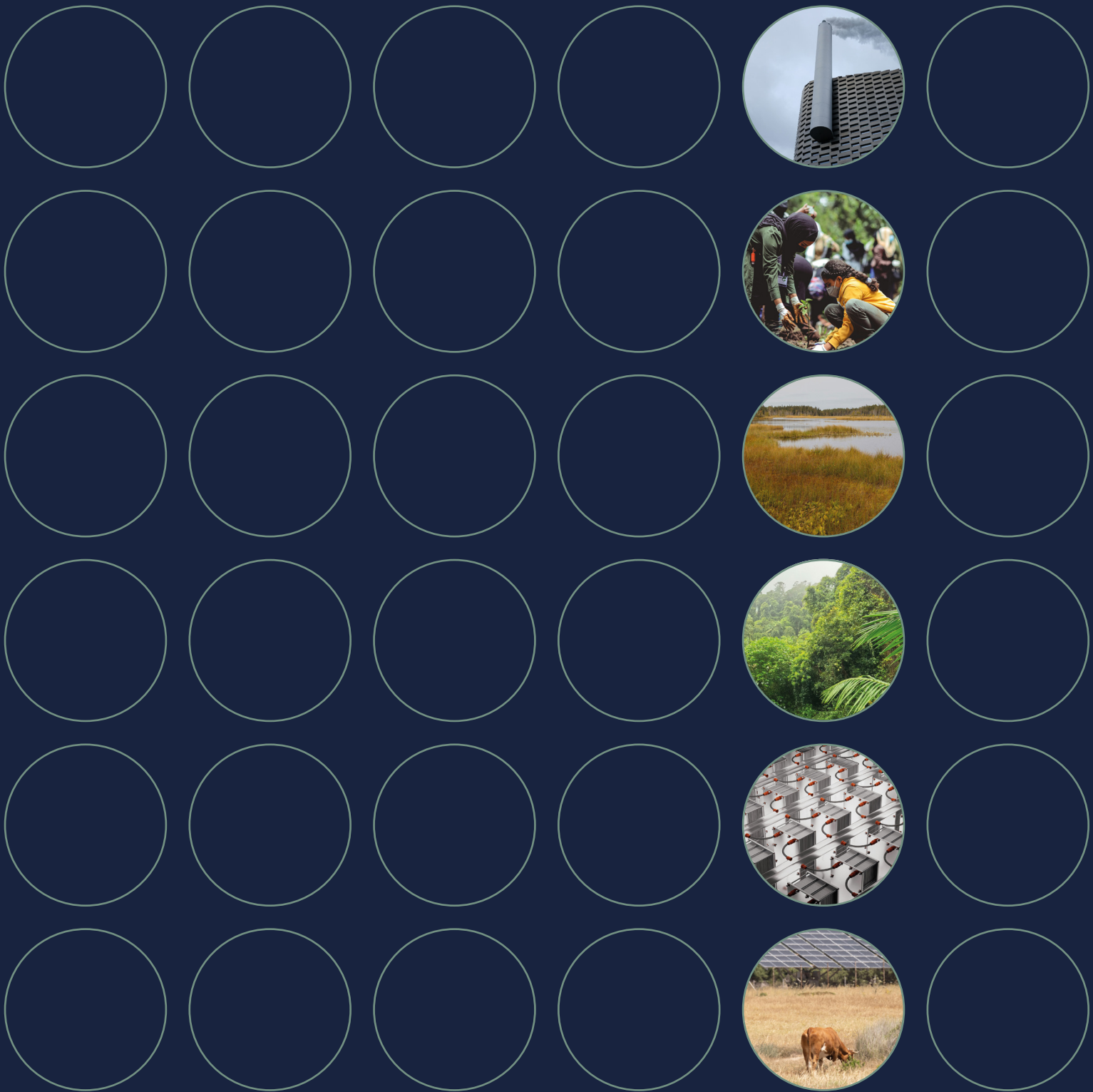


Oxford Principles for Responsible Engagement with Article 6



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Introduction

Article 6 of the Paris Agreement creates an international framework for market-based cooperation between countries and/or entities “to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development”.¹ Article 6.2 provides a framework for engaging in cooperative approaches involving internationally transferred mitigation outcomes (ITMOs). Article 6.4 creates a new United Nations carbon crediting programme, also known as the Paris Agreement Crediting Mechanism (PACM), overseen by the Article 6.4 Supervisory Body. Articles 6.2 and 6.4 are operationalised through decisions taken under the Paris Agreement.² While distinct systems, they can intersect, as emission reductions or removals issued as Article 6.4 Emission Reductions (A6.4ERs) under the PACM, or by other eligible carbon crediting programmes can be authorised under Article 6.2 as ITMOs. A6.4ERs that are not authorised as ITMOs are referred to as Mitigation Contribution Units (MCUs).

Why Does Getting Article 6 Right Matter?

With global greenhouse gas (GHG) emissions still rising and Nationally Determined Contributions (NDCs) collectively falling critically short of the ambition needed to keep the Paris Agreement’s goals within reach, there is an urgent need for effective tools to drive ambitious climate action.

If designed and implemented responsibly, Article 6 could serve as a tool to accelerate climate action, enabling countries to meet and enhance their NDCs, as well as public and private entities to work together to mobilise much-needed finance for climate mitigation and sustainable development. Article 6 could thus contribute to reaching the long-term temperature goal of the Paris Agreement. When aligned with broader equity and sustainability goals, Article 6 could also help bridge gaps in climate finance and technology access and enable the Global South to benefit from participating in international carbon markets.

If used improperly, Article 6 risks undermining the very goals of the Paris Agreement. This risk is particularly prominent for Article 6.2, where participating Parties are responsible for ensuring environmental integrity and transparency, applying robust accounting and promoting sustainable development, with limited international oversight to ensure consistently robust approaches.

1 UNFCCC. (2016). [Paris Agreement to the United Nations Framework Convention on Climate Change](#). Bonn. We recognise that Article 6 comprises both market-based (A6.2 and A6.4) and non-market-based (A6.8) approaches. These Principles apply to market-based cooperation.

2 Most notably, the CMA decisions at COP26, COP27 and COP29. See UNFCCC. (2022). [Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on its third session](#), held in Glasgow from 31 October to 13 November 2021. (2023). [Report of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on its fourth session](#), held in Sharm el-Sheikh from 6 to 20 November 2022. UNFCCC. (2024a). [Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement](#) and in decision 2/CMA.3. UNFCCC. (2024b). [Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3](#).

For key criteria, such as additionality, robust baseline setting and permanence, the international Article 6.2 rules only include generic principles that leave considerable room to participating Parties as to how to implement them. Indeed, gaps and loopholes that could undermine integrity and lower overall climate ambition exist under both Article 6.2 and the PACM.³ This could allow for the creation of ITMOs and MCUs that only exist on paper and do not represent real and additional emissions reductions or removals. This would not only fail to deliver real atmospheric benefits but could also enable countries or entities to falsely claim progress while continuing high-emissions activities. Cooperation under Article 6 could accordingly risk locking in low-ambition mitigation pathways or crowding out climate finance, potentially delaying the deep decarbonisation needed to keep the goal of limiting global warming to well below 2° degrees within reach.

We must therefore aim to ensure that international carbon markets drive genuine climate action and provide incentives for enhancing ambition rather than serving as a smokescreen for inaction. Strong safeguards, robust oversight, and clear principles for responsible engagement are essential for market-based cooperation under Article 6 to be implemented with integrity and ambition.

Role of these Principles

The current international rules established under Articles 6.2 and 6.4 create a floor rather than a ceiling of integrity, and thus leave considerable discretion to the user as to how to act responsibly. For this reason, we put forward this guidance to support actors to engage with Article 6 responsibly, ensuring climate integrity, upholding high environmental and social safeguards and enhancing ambition in line with the broader goals of the Paris Agreement. Over 30 countries have already recognised the importance of complementary guidance via the San José Principles to promote high ambition and integrity in international carbon markets that were launched at COP25 in 2019.⁴ Now that the international rules for Article 6.2 and the PACM have been largely finalised, we propose a set of principles for responsible and effective engagement under Article 6 that build on the San José Principles and are grounded in science. The Oxford Principles for Responsible Engagement with Article 6 function as a high-level principles with accompanying criteria to guide countries and entities engaging, or seeking to engage, in carbon trading under Article 6. Importantly they do not displace existing rules and guidance on Articles 6.2 and 6.4, but instead bolsters it as necessary.

This document establishes three overarching principles as presented in Figure One⁵

- **Principle One:** Paris-Aligned use of mitigation outcomes
- **Principle Two:** Generation of high-quality mitigation outcomes; and
- **Principle Three:** Robust accounting and transparency in engaging in Article 6.

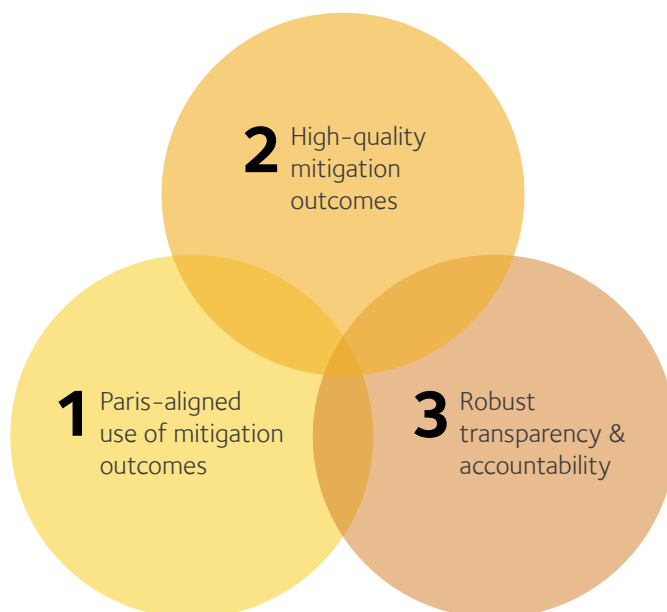
For each principle, the document sets out specific criteria that must be implemented to achieve these principles. To demonstrate responsible engagement with Article 6, these principles and criteria should be applied in addition to the international rules and guidance adopted under Article 6.2 and the PACM.

3 Article 6.4 still possesses risks, for instance, in relation to projects transitioning from the Clean Development Mechanism (CDM) which will be able to generate A6.4ERs by applying the old CDM baseline and monitoring methodologies for the vintages 2021–2025.

4 See DCC. (2019). The San Jose Principles for high ambition and integrity in international carbon markets.

5 Note that the ordering of these Principles does not indicate a hierarchy of use.

Figure One: Thematic Overview of the Principles



The principles and criteria apply to the following actors:

- **Host countries** – Countries where mitigation activities that generate ITMOs or MCUs are implemented.
- **Buyer countries**⁶ – Countries that acquire ITMOs.
- **Buying entities** – Public or private entities that acquire ITMOs or MCUs.
- **Activity developers**⁷ – Public or private entities that implement mitigation activities (projects, programmes of activities, or large-scale policy instruments) that generate ITMOs or MCUs.
- **Intermediaries** – Entities who facilitate the generation and transfer of mitigation outcomes, including but not limited to carbon crediting programmes, validation and verification bodies (VVBs), traders or trading platforms, and ratings agencies.

This document identifies certain actor-specific criteria, as a given criterion's applicability to an actor may vary based on their respective role and capability within the ecosystem. However, maintaining integrity is the shared responsibility of all actors participating under the Article 6 framework. Therefore, all actors should take action to implement, or ensure the implementation of, the principles and criteria in this document. That said, we note that the criteria, in some instances still remain broad, and require further detailed elaboration. Where this guidance is not sufficiently stipulated under Article 6.2 and 6.4 rules, other best practice frameworks are recommended.

⁶ The term 'country' often but not always overlaps with the term 'Party' to the Paris Agreement. We further recognise that some countries may indirectly be involved in Article 6 even though they are not Parties to the Paris Agreement. Examples could include the United States (which has announced to leave the Agreement) and Taiwan (which is not a member of the United Nations and thus cannot become a Party). Such involvement could include funding ITMOs that are cancelled for other purposes in the host Party's registry.

⁷ Including any subcontractors or other relevant partners as applicable.

Principle One:

Ensure that the Use of Mitigation Outcomes is Aligned with the Paris Agreement

The following criteria set a common standard for the use of all mitigation outcomes in the context of Article 6, and should be applied in addition to relevant decisions by the CMA and the Article 6.4 Supervisory Body.⁸

A. Ensuring engagement with Article 6 raises climate ambition in line with the Paris Agreement

Criteria

1.A.1 Enhancing ambition and avoiding mitigation deterrence

Buyer and host countries should establish, implement, and be on track to meet domestic mitigation targets which represent a science-aligned contribution to global net zero and only use Article 6 to set and achieve more ambitious NDCs and Long-Term Low Emission Development Strategy (LT-LEDS) (i.e. closing the “ambition gap”), rather than using Article 6 to achieve their science-aligned domestic mitigation targets (i.e. closing the “implementation gap”).⁹

Similarly, **buying entities** should establish, implement, and be on track to achieve science-aligned targets and trajectories to deeply reduce their organisational emissions throughout their value chain and only use Article 6 to increase ambition beyond such trajectories and in line with the Oxford Principles for Net Zero Aligned Carbon Offsetting.¹⁰

All actors should conduct additional independent due diligence with the purpose of avoiding mitigation deterrence.¹¹

⁸ See n 2.

⁹ They could also establish a positive list of mitigation activities that fulfil this criterion, which is regularly reviewed and updated in line with technological and scientific advancements. For more on the ambition gap, see Ahonen, H., Inclan, C., Kessler, J. & Singh, A. (2023). [Raising climate ambition with carbon credits](#). Perspectives Climate Group. Discussion Paper. On the interplay between finance from carbon markets and other sources of climate/development finance, see Fuessler, J., Knasy, T. & Spalding-Fecher, R. (2019). [Blending climate finance and carbon market mechanisms](#). CPF/CTAF. Discussion Paper. Spalding-Fecher, Randall; Kohli, Anik; Fallasch, Felix; Brown, Peter; Fuessler, Juerg; Broekhoff, Derik and Lambert Schneider (2021). [Attribution: A practical guide to navigating the blending of climate finance and carbon markets](#). Eskilstuna, Sweden: Swedish Energy Agency. Schneider, L. & Haase, I. (2023). [Carbon crediting and official development assistance \(ODA\): A summary of key issues](#). Oeko Institut.

¹⁰ See Axelsson, K., Wagner, A., Johnstone, I., Allen, M., Caldecott, B., Eyre, N., Fankhauser, S., Hale, T., Hepburn, C., Hickey, C., Khosla, R., Lezak, S., Mitchell-Larson, E., Malhi, Y., Seddon, N., Smith, A., & Smith, S. M. (2024). Oxford principles for net zero aligned carbon offsetting (revised 2024). Smith School of Enterprise and the Environment, University of Oxford.

¹¹ Mitigation deterrence refers to the concern that some actions (such as offsetting) could undermine own mitigation action (that is, emissions reductions and removal action). See for instance, Markusson N, McLaren D, Tyfield D. (2018). [Towards a cultural political economy of mitigation deterrence by negative emissions technologies \(NETs\)](#). Global Sustainability. Due diligence measures could include but are not limited to consulting the latest IPCC Assessment Reports to check available mitigation pathways, utilising insights from carbon credit rating agencies which offer insights in relation to units transacted via Article 6, or following best practice guidance (see n 10).

1.A.2 Pursuing mitigation activities with significant sustainable development benefits

All actors should pursue mitigation activities that have significant sustainable development benefits, including related to adaptation, biodiversity, and potential to avert loss and damage.

1.A.3 Sharing of mitigation outcomes between the host country and buyers

All actors should ensure an equitable sharing of the achieved mitigation outcomes between the host country and buying country or entity, to ensure that the host country can use part of the mitigation outcomes to enhance the ambition of its NDC or other climate targets.¹²

1.A.4 Ensuring contribution to global mitigation and adaptation efforts

All actors should ensure that at least 2% of issued ITMOs are cancelled to deliver an overall mitigation in global emissions (OMGE) and at least a 5% share is contributed towards financing adaptation activities.¹³

B. Developing and implementing responsible Article 6 engagement strategies and governance arrangements

Criteria

1.B.1 Developing an engagement strategy

Host countries and **buyer countries** should develop a dedicated strategy for engagement with Article 6 that enables participating Parties to raise the ambition of their NDCs and maintain consistency with their LT-LEDS as well as other relevant domestic policies and strategies.¹⁴ The Article 6 engagement strategy should be made publicly available and regularly reviewed.

1.B.2 Going beyond unconditional climate mitigation

Buyer countries using ITMOs to achieve their NDC, domestic climate mitigation targets, or to undertake any form of offsetting should not count the associated financial flows towards achieving the climate finance goals of the Paris Agreement.

Host countries should not use MCUs or the sharing of mitigation outcomes between the host country and buyers to finance activities in their unconditional NDCs.

¹² As the generation of ITMOs requires host countries to apply a corresponding adjustment, sharing of mitigation outcomes aims to ensure that some mitigation outcomes do not become ITMOs but can be used and accounted for by the host country. This can be implemented by using ambitious baselines set well below business-as-usual emissions, cancelling of a fraction of issued carbon credits, and/or choosing a crediting period that is shorter than the mitigation activity's lifetime. Guidance on this can also be found in the Article 6.4 Methodologies Standard. See UNFCCC (2024c). [Standard: Application of the requirements of Chapter V.B \(Methodologies\) for the development and assessment of Article 6.4 mechanism methodologies](#).

¹³ According to CMA decisions, this is mandatory under Article 6.4 (see n 2) and "strongly encouraged" under Article 6.2. It should thus be met under any engagement with Article 6.2.

¹⁴ This includes outlining how the use of Article 6.2 and/or 6.4 relates to Articles 3, 5, 8, 9, and 10 of the Paris Agreement (see n 1).

1.B.3 Designing governance arrangements

Host countries and **buyer countries** should develop and use transparent governance arrangements for their Article 6 participation, including:

- Allocating clear roles and responsibilities for the authorisation, issuance, and transactions of ITMOs among participating Parties.
- Creating and complying with a robust and adaptive national regulatory framework for the use of Article 6.¹⁵
- Undertaking measures to prevent systemic conflicts of interest and promote independence across the crediting lifecycle, including between suppliers, carbon crediting programmes, and verifiers.

1.B.4 Transparency

All actors should promote transparency on price formation in relation to ITMOs and MCUs this could include but is not limited to disclosure of the revenues received per carbon credit by project implementers and the average credit price paid by buyers per type of mitigation activity.

Principle Two:

Ensure Mitigation Outcomes have Climate Integrity and Uphold Social and Environmental Safeguards

These criteria set a common standard for the use of all mitigation outcomes in the context of Article 6, and should be applied in addition to relevant decisions by the CMA and the Article 6.4 Supervisory Body.

A. Ensuring the climate integrity of mitigation outcomes

Criteria

2.A.1 Additionality

All actors should ensure that a high standard of additionality is applied, by ensuring that it is very likely (i.e. a probability of over 90%)¹⁶ that a mitigation activity would not have occurred in the absence of Article 6 carbon market incentives.

¹⁵ In line with existing practices, a regulatory framework can take the form of laws, policies or guidance issued by relevant public authorities and should include all elements relevant to responsible engagement under Article 6. This framework should clearly and directly address and seek to operationalise Article 6. See also Article 6.4 Methodologies Standard (n 12).

¹⁶ 90–100% probability is defined by the IPCC to mean an outcome that is “Very likely”. See IPCC. (2010). [Guidance Note for Lead Authors of the IPCC Fifth Assessment Report on Consistent Treatment of Uncertainties](#). For more studies on additionality see, for example: Michaelowa, A., Hermwille, L., Obergassel, W., & Butzengeiger, S. (2019). [Additionality revisited: guarding the integrity of market mechanisms under the Paris Agreement](#). Taylor & Francis; Probst, B., Toetzke, M., Kontoleon, A., Díaz Anadón, L., Minx, J., Haya, B., Schneider, L., Trotter, P., West, T., Gill-Wiehl, A., Hoffmann, V. (2024). [Systematic assessment of the achieved emission reductions of carbon crediting projects](#). Haya, B., & Parekh, P. (2011) [Hydropower in the CDM: Examining Additionality and Criteria for Sustainability](#). University of California. Berkeley Energy and Resources Group Working Paper. Cames, M., Harthan, R. Füssler, J., Lazarus, M., Lee, C., Erickson, P. & Spalding-Fecher, R. (2016). [How additional is the CDM?](#) Oeko Institut.

2.A.2 Avoiding lock-in

All actors should ensure that a lock-in of high levels of emissions, or emission intensive technologies or practices is prevented.

2.A.3 Robust quantification of mitigation outcomes

All actors should ensure that mitigation outcomes are quantified in a scientifically sound and conservative manner that is aligned with the goals of the Paris Agreement. This entails:

- Generating mitigation outcomes in metric tonnes of carbon dioxide equivalent (tCO₂e) rather than non-GHG metrics;
- Setting a downwardly adjusted baseline commensurate with a Paris-aligned world;
- Accounting for all emission sources and sinks unless their omission is conservative;
- Preventing and reducing leakage to the extent possible and addressing any remaining leakage in full;
- Implementing robust and accurate approaches for monitoring mitigation activities;
- Choosing a length of crediting period that is appropriate to the type and context of the mitigation activity;
- Considering all sources of uncertainty (scenarios, assumptions, models, data, parameters, among others) and ensuring that the degree of conservativeness is based on the level of uncertainty;
- Ensuring that the credited emission reductions or removals can be attributed to the mitigation interventions.

2.A.4 Addressing reversals

All actors should ensure that any reversals are addressed in full. This entails:

- Assessing and reducing reversal risks, including through reversal risk assessments and by designing and implementing mitigation activities in ways that prevent or minimises reversal risks.
- Monitoring and fully compensating for any reversals until the risk for reversals is negligible or until the reversal risk has been remediated by permanent mitigation outcomes.

2.A.5 Avoiding double counting

All actors should ensure that mitigation outcomes are not double counted. This entails:

- Avoiding double issuance, by:
 - * Preventing the registration of a single mitigation activity under two carbon crediting programmes and issuing carbon credits for same mitigation outcomes;
 - * Preventing indirect overlaps between mitigation activities in quantifying mitigation outcomes (e.g., a cookstove project and an avoided deforestation project claiming the same mitigation outcomes);

- Avoiding double use, by:
 - * Preventing the duplication or double cancellation or retirement of carbon credits by establishing robust registry systems;
 - * Preventing that a single cancellation or requirement is claimed more than once towards climate goals by requiring users of carbon credits to publicly disclose the beneficiary and purpose of a carbon credit cancellation or retirement;
- Avoiding double claiming, by:
 - * Preventing that mitigation outcomes that are directly or indirectly counted under a mandatory domestic mitigation schemes (e.g., emissions trading systems or renewable energy quotas) are claimed for offsetting purposes by buyer countries or buying entities;
 - * Preventing that the climate impacts of a mitigation activity are also traded in other environmental markets or accounting frameworks (e.g., renewable energy certificates generated from renewable energy projects);
 - * Preventing that mitigation outcomes that are used for offsetting claims are counted simultaneously by the host country towards the achievement of its NDC or other national mitigation target.

2.A.6 Preventing use of international climate finance for ITMOs

All actors should ensure that, where a mitigation activity is funded through both carbon market revenues and international climate finance, ITMOs are only issued proportionally to the share of funding, expressed in grant equivalents, provided through carbon market revenues.¹⁷

2.A.7 Rigorous carbon crediting programme governance

All actors should ensure that the carbon crediting programmes used to generate mitigation outcomes have rigorous governance arrangements in place. This entails that:

- All staff, contractors and non-staff individuals serving the programme in a professional capacity are subject to a code of conduct and appropriate conflict of interest provisions;
- All staff, contractors and members of decision-making bodies (such as Boards) are competent to carry out their duties, in line with transparent competence requirements;
- The adoption of, or material updates to, normative program documents (e.g., methodologies) are subject to public consultation;
- The programme makes all relevant information publicly available, including normative programme documents, comments submitted by stakeholders, information on mitigation activities (e.g., design documents, monitoring reports, validation and verification reports), and information on individual carbon credits (e.g., issuances, transfers and retirements/cancellations);
- The programme has procedures in place for receiving complaints and resolving disputes from any stakeholders;
- Methodologies are assessed by a group of independent experts with no or limited conflict of interests and recommendations by the group of experts are publicly disclosed;
- Methodologies are reviewed at least every five years;

¹⁷ For further information see n 9.

- The programme requires that validation and verification bodies (VVBs) are accredited by an International Accreditation Forum (IAF) member body or the Article 6.4 Supervisory Body;
- The program has procedures in place for program staff to perform their own quality control reviews of projects seeking registration and carbon credit issuance requests;
- The programme has procedures in place to systematically assess the performance of VVBs and to apply sanctions against VVBs in case of performance issues, including the suspension of accreditation or increased oversight (e.g., additional spot checks).

B. Upholding environmental and social safeguards in relation to mitigation outcomes

Criteria

2.B.1 Appropriate consultations with stakeholders on mitigation activities

All actors should ensure that appropriate consultations with stakeholders are conducted on mitigation activities. This means that:

- Inclusive and culturally appropriate consultations with impacted local communities and Indigenous Peoples, as well as a global online consultation (e.g. conducted through carbon crediting programmes), occurred prior to the decision to proceed with the mitigation activity;
- Impacted local communities and Indigenous Peoples are well informed on all characteristics and impacts of the mitigation activities;
- Issues raised by impacted local communities and Indigenous Peoples in such consultations are duly considered in the design and implementation of the mitigation activity, respecting the right of Indigenous Peoples to Free, Prior, and Informed Consent (FPIC)¹⁸; and
- Meaningful dialogue continues with stakeholders throughout the mitigation activity's lifetime.

2.B.2 Identifying negative environmental or social impacts

All actors should ensure that potential negative environmental or social impacts of a mitigation activity have been identified and assessed prior to the decision to proceed with the mitigation activity, and the assessment results are publicly disclosed.

2.B.3 Safeguards

All actors should uphold rigorous social and environmental safeguards to protect impacted local communities and Indigenous Peoples throughout the mitigation activity's lifecycle,¹⁹ including safeguards concerning: physical and economic displacement; labour rights; corruption; environmental harm, such as biodiversity loss, loss of natural resources and water pollution; livelihood²⁰ and spiritual and cultural heritage. Gender issues should be considered across these dimensions.

¹⁸ [According to the International Labour Organisation. \(1989\). C169 - Indigenous and Tribal Peoples Convention, 1989 \(No. 169\).](#)

¹⁹ Respecting all safeguards addressed in the Paris Agreement Crediting Mechanism's Sustainable Development Tool, such as energy, land, air and water, ecology and natural resources, human rights, labour, health and safety land acquisition and involuntary displacement, Indigenous Peoples, corruption, cultural heritage. See UNFCCC. (2024d). [Article 6.4 sustainable development tool](#).

²⁰ Where a mitigation activity restricts the use of land or natural resources impacted communities and Indigenous Peoples have historically relied on, other avenues of access or training to alternative methods of livelihoods should be made available to ensure against loss of livelihood, including water scarcity or food insecurity.

2.B.4 Mitigation activity design and implementation

All actors should ensure impacted local communities and Indigenous Peoples' knowledge²¹ is respected and duly integrated into the full lifecycle of the mitigation activity.

All actors should ensure that the design and implementation of the mitigation activity does not actively incite social conflict or violate human rights and statutory or customary rights throughout the activity's lifetime.

All actors should ensure co-benefit arrangements are always designed in alignment with the needs and priorities of impacted local communities and Indigenous Peoples, and furthermore that these arrangements are fully implemented and publicly disclosed.²²

All actors should ensure that members of local communities and Indigenous Peoples have access to culturally appropriate and effective grievance redress mechanisms throughout an activity's lifetime. These mechanisms should provide equal access to all community members.

Principle Three:

Ensure Robust Accounting and Transparent Engagement with Article 6

The criteria under this Principle apply in addition to all relevant decisions under the Paris Agreement.²³

A. Applying robust accounting practices for cooperative approaches under Article 6.2

Criteria

3.A.1 Robust national inventories

Each country involved in a cooperative approach should have submitted a recent national GHG inventory to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat which:

- Covers all sectors and all key categories;
- Covers at least the greenhouse gases CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃;

²¹ Including their understanding of land rights.

²² These needs and priorities should be assessed through a social impact assessment, and during information sessions and consultations prior to and throughout a mitigation activity's lifecycle.

²³ See n 2 for relevant decisions on Article 6.2 and Article 6.4; See Article 4 in UNFCCC. (2016). [Paris Agreement to the United Nations Framework Convention on Climate Change. Bonn](#); See UNFCCC. (2018). [Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement](#).

- Covers at least a time series from the earlier of (a) the base year (e.g. 1990) or (b) the first year of the NDC period (e.g. 2021) until the most recent year, which shall be no later than the calendar year two years prior to the submission of the inventory.

In addition to the above requirements, the host country should have submitted a national GHG inventory that:

- Covers all sectors and categories that are materially affected by planned or implemented Article 6.2 activities;
- Makes use of Tier 2 or 3 methods for estimating emissions and removals GHGs for from all key categories of GHGs and from any categories materially affected by planned or implemented Article 6 activities, with the view to ensuring that the mitigation outcomes from planned and implemented Article 6 activities are visible in the inventory.²⁴

3.A.2 Strong NDC foundation

Each country involved in a cooperative approach should maintain a strong NDC foundation by ensuring that it:

- Is a Party to the Paris Agreement and has not signalled its intent to withdraw;
- Has submitted an NDC with a target year or period that is consistent with agreed common time frames²⁵ and with NDC periods that are consecutive (rather than overlapping);²⁶
- Has submitted a LT-LEDS;
- Has specified a strategy to achieve its NDC, its LT-LEDS and any other climate targets, including the envisaged mitigation actions and policies, and the role played by Article 6;
- Has quantified its NDC in absolute levels of GHGs emissions for the target year or period;
- Uses a multi-year accounting approach (rather than averaging).²⁷

3.A.3 NDC coverage

Buyer countries should ensure that they have an economy-wide NDC that covers all sectors, categories, greenhouse gases and all activities and carbon pools in the Agriculture, Forestry, and Other Land Use (AFOLU) sector.

Host countries should ensure that their NDC covers at least all sectors, categories and greenhouse gases, and all activities and carbon pools in the AFOLU sector, that are materially affected by planned or implemented Article 6 activities.

²⁴ For further information on the visibility of mitigation outcomes from a carbon crediting perspective, see for example Schneider, L., Weber, F., Füssler, J., Moosmann, L., & Böttcher, H. (2022). [Visibility of carbon market approaches in greenhouse gas inventories](#). Taylor & Francis.

²⁵ See decision 6/CMA.1 on common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement. UNFCCC. (2021). [Common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement](#). Proposal by the President.

²⁶ With the first NDC period being from 2021 to 2030 and the second NDC period being from 2031 to 2035.

²⁷ Note that the approach of averaging can lead to higher global emissions even if all ITMOs represent high-quality mitigation outcomes. See: Siemons, A., & Schneider, L. (2022). Averaging or multi-year accounting? Environmental integrity implications for using international carbon markets in the context of single-year targets. Taylor & Francis. doi: [10.1080/14693062.2021.2013154](#).

3.A.4 Host country authorisations

Host countries should:

- Establish robust national arrangements for authorising mitigation outcomes under Article 6.2;
- Use the template published by the UNFCCC secretariat to provide authorisations;²⁸
- Specify, in any authorisations for other international mitigation purposes (OIMP), timelines for the issuance, cancellation, or use of mitigation outcomes that ensure that the mitigation outcomes are accounted for in the final emissions balance for the NDC period.

3.A.5 Closing gaps in the accounting cycle for LDCs and SIDS

Host Parties that are a Least Developed Country Party (LDC) or a Small Island Developing State (SIDS) have committed to submit their biennial transparency reports (BTR) at least every four years and the first report no later than two years after the first authorisation of mitigation outcomes, noting that LDCs and SIDS may submit BTRs at their discretion and that corresponding adjustments are applied as part of the structured summary provided in BTR reports.

B. Transparency on the use and generation of mitigation outcomes

Criteria

3.B.1 Transparency on the use of mitigation outcomes

Buyer countries and buying entities should transparently report on the acquisition, use, and cancellation of ITMOs (and carbon credits if applicable), by year and amount, specifying the mitigation activities, the serial numbers of the ITMOs and carbon credits, and the purposes for which they were used (for voluntary goals, compliance purposes, overall mitigation in global emissions, or as share of proceeds for adaptation). This should also include a summary of aggregated amounts, including by types of mitigation activities (e.g., emission reductions, biogenic carbon removals, and geological removals).

Buyer countries and buying entities should provide transparent and publicly accessible information on the claims made in association with the use of ITMOs and carbon credits, including which ITMOs and carbon credits are used for what claims. If they purchase MCUs, they should justify how they are not utilising them for offsetting purposes.

3.B.2 Transparency on the generation of mitigation outcomes

Host countries should provide transparent and publicly accessible information on the generation, authorisation and transfers of ITMOs (and carbon credits if applicable), by year and amount, specifying the mitigation activities, the serial numbers of ITMOs and carbon credits, and information on their authorisation status. This should also include a summary of aggregated amounts, including by types of mitigation activities (e.g., emission reductions, biogenic carbon removals, and geological removals).

²⁸ See UNFCCC. (2025b). [Templates](#).



Our vision

A healthy planet and a fairer, more prosperous world, supported by a sustainable global economic and financial system.

Our mission

The Smith School of Enterprise and the Environment equips enterprise to achieve net zero emissions and the sustainable development goals, through our world-leading research, teaching and partnerships.

Smith School of Enterprise and the Environment

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