

2025

Guidance for stakeholders on applying COP29 Article 6 decisions

Perspectives Climate Group
Freiburg, Germany

Aayushi Singh, Juliana Keßler,
Axel Michaelowa, and Carlotta Frey

Öko-Institut
Berlin, Germany
Lambert Schneider

Acknowledgements

We gratefully acknowledge the support of the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety for enabling the preparation of this guidance.

The guidance is intended to support carbon market stakeholders in the application of the COP29 Article 6 decisions.

The analysis, findings and recommendations presented in this paper are those of the authors and do not necessarily reflect the views or official position of the German Federal Government.

Authors

This research report was prepared by Aayushi Singh, Juliana Keßler, Axel Michaelowa, and Carlotta Frey (Perspectives Climate Group), and Lambert Schneider (Öko-Institut).

Disclaimer

This guidance was prepared by Perspectives Climate Group and Öko-Institut and reflects independent views of the authors who take sole responsibility for information presented in this report, as well as for any errors or omissions.

Design and layout

Beatrice King

Perspectives Climate Group GmbH
Hugstetter Str. 7
79106 Freiburg, Germany
info@perspectives.cc
www.perspectives.cc

© Perspectives Climate Group GmbH
October 2025 | All rights reserved

Table of Contents

1. Scope and objectives	1
2. Description of relevant actors	
involved in different Article 6 processes	2
3. Article 6 mitigation activity development	3
3.1. COP29 decisions	3
3.2. Practical considerations	4
4. Birth of an ITMO	9
4.1. Authorisation	9
4.1.1. COP29 decisions	9
4.1.2. Practical considerations	11
4.2. First transfer	17
4.2.1. COP29 decisions	17
4.2.2. Practical considerations	20
5. Interoperability between registries	23
5.1. COP29 decisions	23
5.2. Practical considerations	24

1. Scope and objectives

COP29 marked a pivotal moment for Article 6, bringing nine years of work on carbon market rules to a close.



The decisions adopted at COP29 on Article 6.2 and Article 6.4 enable the full operationalisation of Article 6. Clear, practical guidance is now essential to navigate its complex and far-reaching impacts. This document seeks to provide such guidance.

This document provides targeted insights into how the decisions of the 29th Conference of the Parties apply in practice, helping stakeholders understand their responsibilities when participating in Article 6 activities. It includes process diagrams, clarifies stakeholder roles, and highlights key considerations for their participation in Article 6.2 and activities to be registered under the Paris Agreement Crediting Mechanism (PACM). This document focuses on carbon crediting activities implemented under Article 6. For other types of cooperation, such as accounting for linked emissions trading schemes (ETS), only some of the provisions in this document are relevant.

2. Description of relevant actors involved in different Article 6 processes

This guidance document aims to provide clear direction for stakeholders engaging in carbon crediting activities under Article 6.2, including those using the PACM. It sets out the roles and key considerations for the following actors:

Host country

The host country is the Party where the underlying mitigation activity takes place. Mitigation outcomes (emission reductions or removals) resulting from the activity may subsequently be authorised by the host for use as internationally transferred mitigation outcomes (ITMOs).

Buyer

A country or a non-state entity that purchases resulting mitigation outcomes.

UNFCCC Secretariat

Facilitates international cooperation through market and non-market approaches, including capacity building, knowledge sharing, and technical support for countries implementing Article 6, and serves as the secretary to the PACM and the administrator of Article 6 relevant infrastructure.

Supervisory Body of the Article 6.4 mechanism (SBM)

Develops the requirements and processes for the PACM and oversees its implementation. This includes developing and/or approving methodologies, registering activities, issuing Article 6.4 emission reductions, accrediting third-party verification bodies, and managing the mechanism registry.

Independent carbon crediting programme

A governmental or non-governmental programme that registers mitigation activities and issues carbon credits in accordance with its own criteria and rules.

Third-party auditor

An independent third-party entity that conducts validation and verification to provide independent confirmation that projects are in line with requirements of the PACM or independent carbon crediting programmes.

Designated Operational Entity (DOE)

A third-party auditor accredited by the SBM to assess the Article 6.4 mitigation activity against the requirements set out in the CMA decisions and relevant requirements and standards adopted by the SBM.

Investor

Provides financial resources for carbon crediting activities and assesses risks and returns. In certain cases, investors can also be activity participants.

Intermediary

Acts as a connector, facilitator and advisor on carbon markets. Facilitates match-making between activity participants and buyers or investors.

While no specific rules govern investors or intermediaries under Article 6.2 or the PACM, this document nevertheless explores the potential implications of the COP29 decisions for these groups.

3. Article 6 mitigation activity development

3.1. COP29 decisions

This section focuses on issues from COP29 decisions that are relevant to the Article 6 activity development.

Regarding Article 6.2, COP29 did not yield any new guidance on activity development. In fact, the Article 6.2 guidance agreed in Glasgow in 2021 does not specifically refer to the activity development but instead establishes integrity requirements that Parties must adhere to and report upon.

Regarding Article 6.4, COP29 adopted two decisions. In the first COP29 Article 6.4 decision (UNFCCC 2025a), Parties generally welcomed the work of the SBM in operationalising the PACM. Throughout 2024, the SBM had adopted various standards, procedures and tools, some of them particularly relevant for the development of methodologies or activities. Most importantly for methodology development, Parties took note of the Methodologies Standard¹ and the Removals Standard,² both of which had been adopted by the SBM in October 2024. These standards serve as key guidance for the development of methodologies, which in turn determine the development of mitigation activities under the PACM. The Methodologies Standard (UNFCCC 2024a) specifies how to implement the methodological Article 6.4 requirements. The Removals Standard (UNFCCC 2024b) mainly puts forward requirements for methodologies and activities involving reversals including for post-crediting period monitoring and reporting, accounting, addressing of reversals.

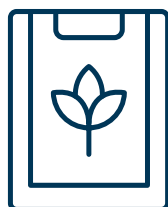
In the second Article 6.4 decision (UNFCCC 2025b), the SBM was asked to prioritise the development of additional methodological products. This includes standards, tools or guidelines related to baseline setting, downward adjustment of baselines, standardised baselines, treatment of suppressed demand, additionality determination and leakage. For activities involving reversals, products on addressing post-crediting period monitoring, reversal risk assessments and remediation measures were mandated. To this date, some of these products have already been approved by the SBM or are in an advanced draft stage. For example, the Additionality Standard³ was adopted in February 2025, and the Baseline Standard⁴ and Leakage Standard⁵ in May 2025. The SBM was further mandated to advance its work on the revision of CDM methodologies for use under PACM. In October 2025, the first revised CDM methodology was approved for use under the PACM.

3.2. Practical considerations

Under the PACM, the mitigation activity cycle is clear and guided by activity standards⁶ and activity cycle procedures⁷ developed by the SBM. With regards to the mitigation activity cycle under Article 6.2, the following should be considered:



The PACM can be used as a carbon crediting programme under Article 6.2 to certify mitigation outcomes of a cooperative approach. In general, the evolution of methodological procedures, standards and tools under the PACM may influence how Article 6.2 activities are designed over time.



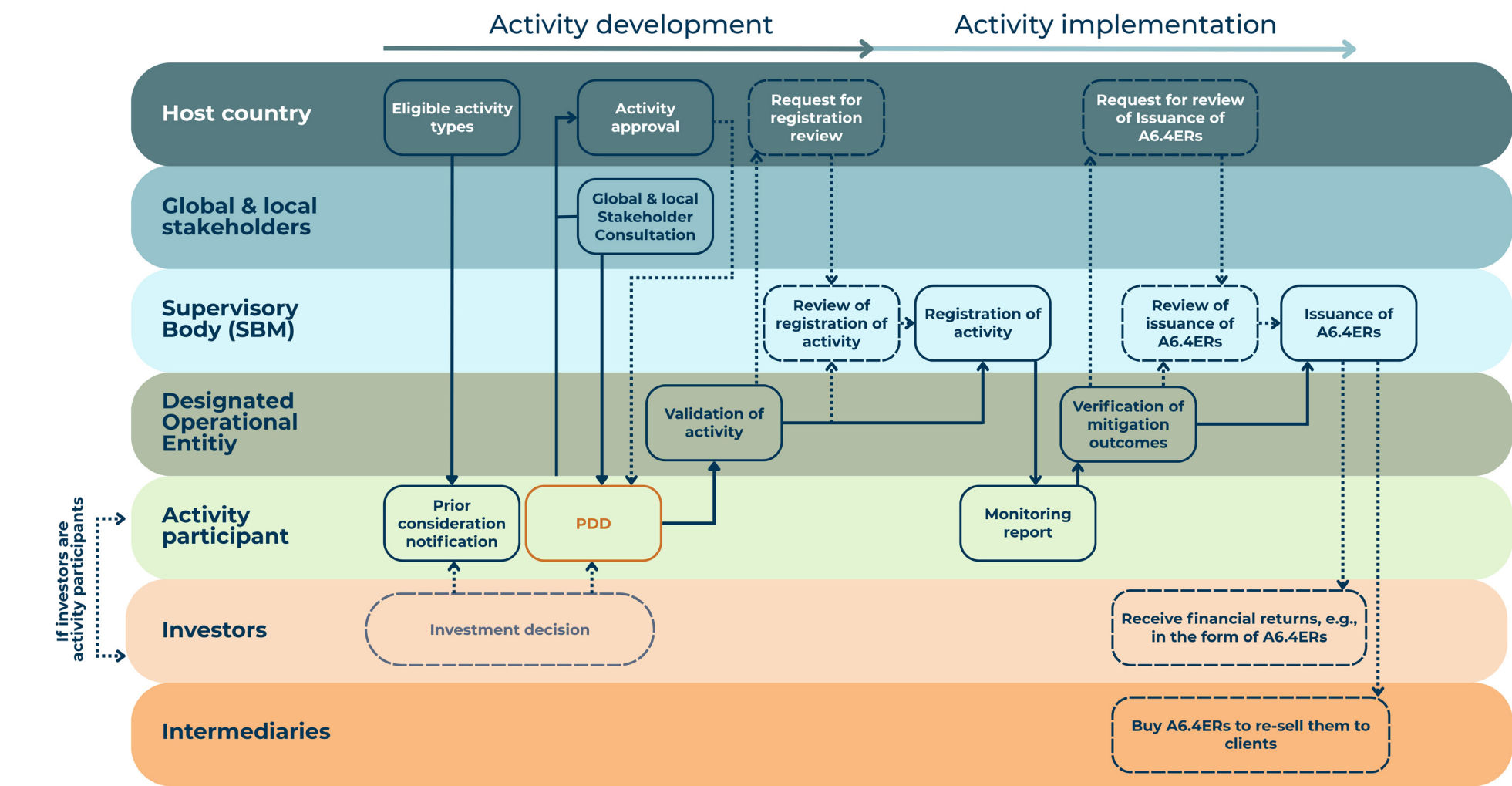
Fundamental principles such as robust additionality testing, setting baselines below business-as-usual, addressing non-permanence risks and negative environmental, economic and social impacts are relevant under both Article 6.2 and PACM.



There are no barriers preventing Parties from aligning with PACM standards and procedures, where such alignment is deemed relevant or beneficial. In practice, voluntary convergence with established methodological norms under the PACM may enhance transparency, comparability, and overall environmental integrity of Article 6.2 cooperative approaches.

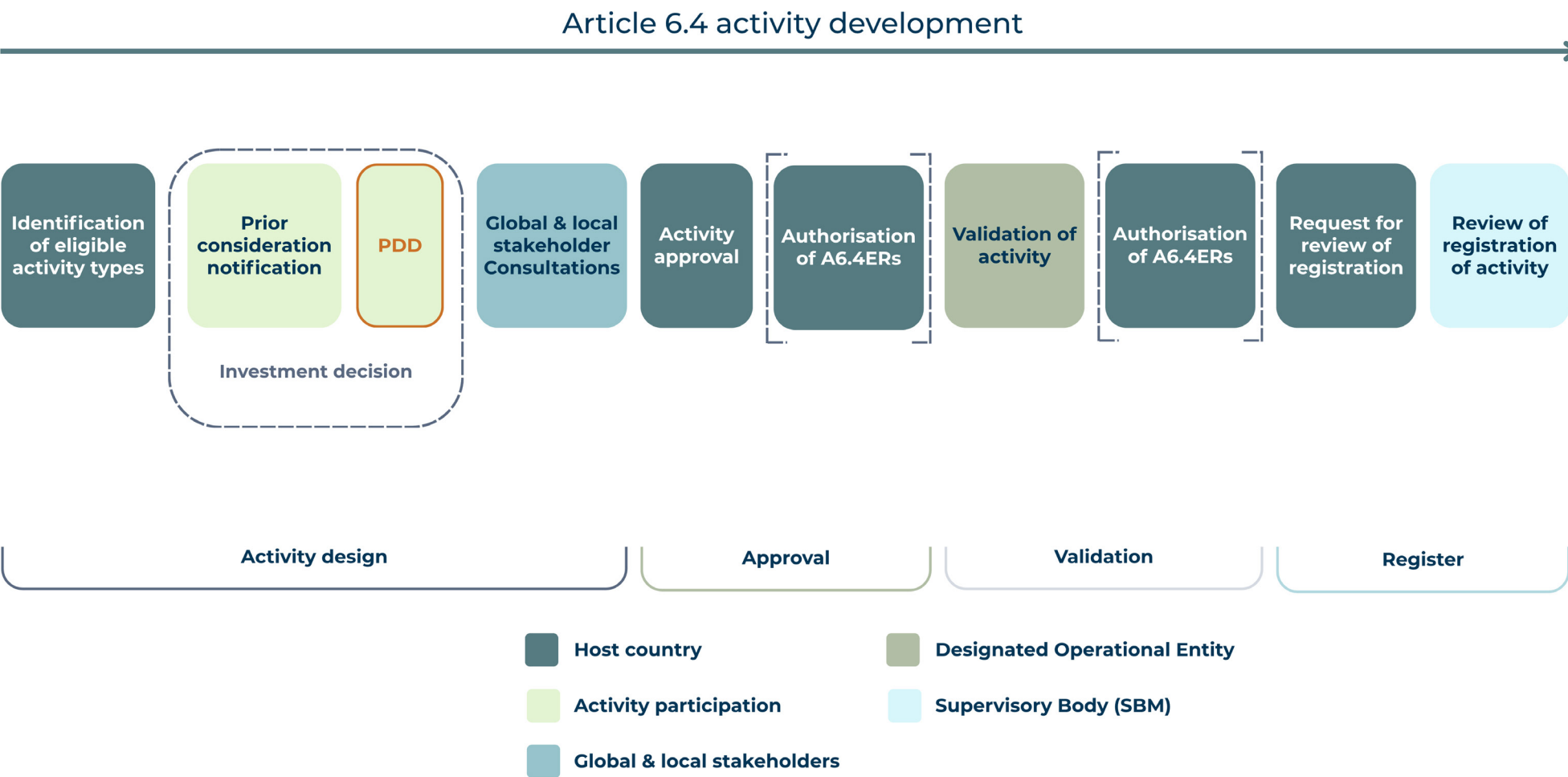
Figures 1, 2, and 3 below reflect the PACM mitigation activity cycle. Detailed implications of the COP29 decisions for each actor with regard to PACM activity development are discussed after Figure 3.

Figure 1: PACM mitigation activity cycle (for projects)



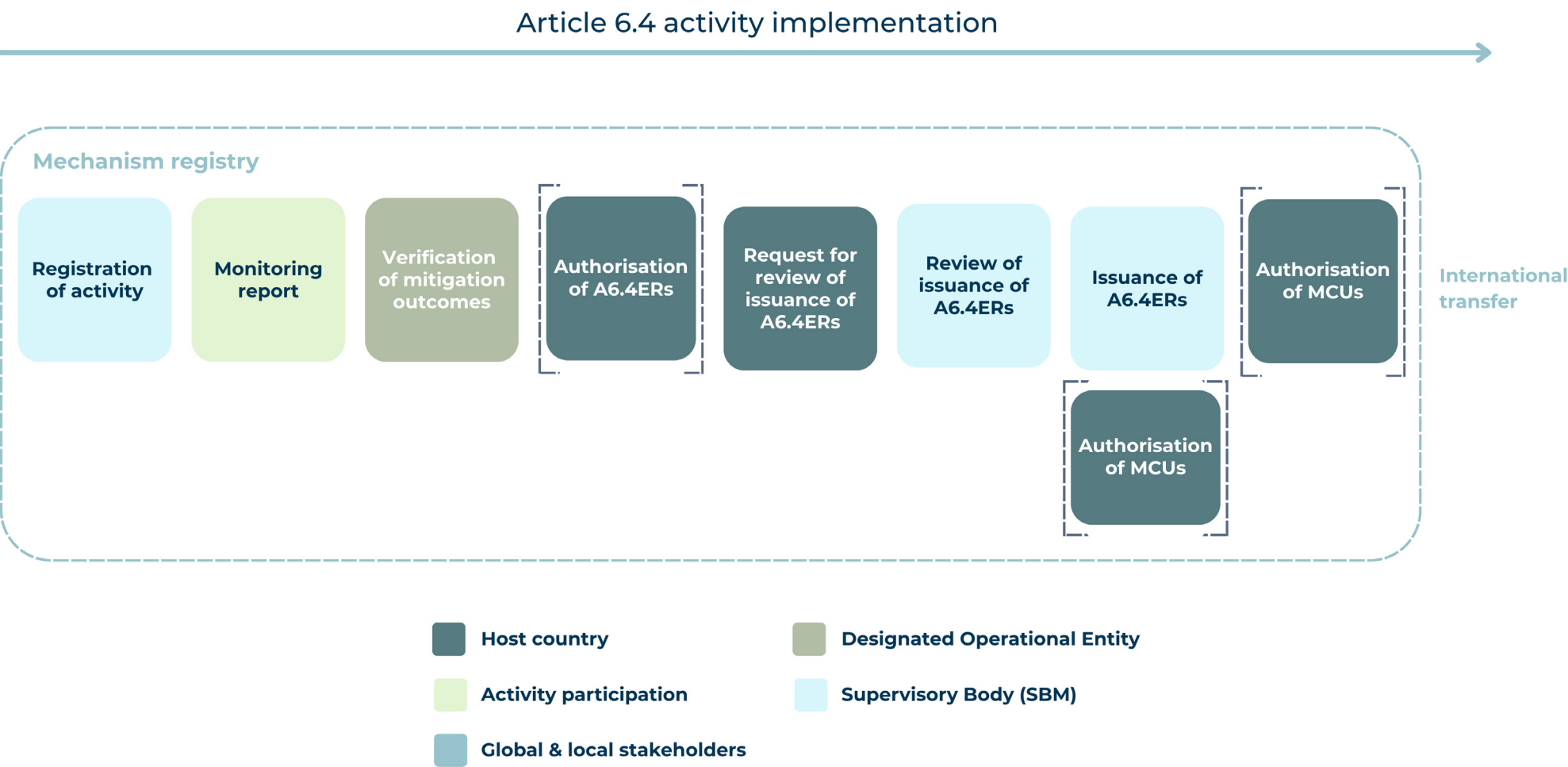
Source: Authors, derived from UNFCCC (2025b; 2024c)

Figure 2: Zooming in on mitigation activity development



Source: Authors, derived from UNFCCC (2025b; 2024c)

Figure 3: Zooming in on mitigation activity implementation



Source: Authors, derived from UNFCCC (2025b; 2024c)

Guidance for different actors on COP29 implications for PACM activity development

Host Parties: With the COP29 decision backing the SBM's approach, the PACM can become fully operational without any further COP decisions, noting that certain elements need to be further implemented by the SBM. To enable and facilitate participation in the PACM, host Parties should:

- Clearly communicating how the PACM fits into the national context in terms of contributing to the nationally determined contribution (NDC) and long-term low emission development strategy (LT-LEDS), which activities the country may consider approving and whether there are any additional methodological requirements the country would like to impose by submitting a [Host Country Participation Form](#).
- Putting in place a regulatory framework that allows them to fully engage with the mechanism. This includes appointing a Designated National Authority ([DNA](#)) and setting up the required procedures for approving new and/or transitioning Clean Development Mechanism (CDM) activities.
- Proactively clarifying which mitigation outcomes, they intend to authorise for use toward NDCs and/or other purposes, helping to provide certainty to project developers and investors.

Activity participants: The COP29 decision provided a clear signal that the methodology and subsequently also activity development under the PACM can move ahead. By endorsing both methodological standards, there is more certainty on the high-level interpretation of some Article 6.4 rules. If project developers are keen to engage in the PACM, we recommend:

- Closely following the elaboration of key methodological standards by the Methodological Expert Panel (MEP) and SBM, including the Additionality Standard, Baseline Standard, Leakage Standard, Reversal Standard, and Suppressed Demand Standard, to fully grasp the operationalisation of the requirements of the Methodologies and Removals Standards.
- Consider developing a new mechanism methodology for approval by the SBM through the bottom-up process or requesting revisions to existing mechanism methodologies once they become available.⁸
- Submitting a Prior Consideration Notification ([PCN](#)) within 180 days of an activity's start date. Otherwise, the project will not be eligible.
- Start preparing the Project Design Document ([PDD](#)) or the Programme of Activities Design Document ([PoA-DD](#)). The finalisation of the activity design documents is contingent on the prior approval of the respective mechanism methodology though.
- Applying the Sustainable Development (SD) Tool⁹ to demonstrate that social and environmental risks have been addressed and to assess activities' contributions to SD by filling in three forms: [Risk assessment form](#), [E&S management plan form](#), and [SD impact form of activity-level SD indicators](#).



SBM: With the COP29 decision, the SBM has the clear mandate to continue fully operationalising the PACM. An emphasis lies on approving methodological products, further governance procedures and registry procedures in 2025, including updating existing standards and procedures. The SBM is soon to review and approve methodologies and thereafter review activity registration requests. Coordination with its MEP, the UNFCCC Secretariat and the DOEs will be essential to manage the submissions.

DOEs: With the COP29 decision backing both key standards for methodology development and thus enhanced clarity on the direction mechanism methodologies must take, the following steps can be taken by DOEs interested in PACM engagement:

- Seeking approval by the SBM for becoming an approved DOE under the PACM in line with the [Article 6.4 accreditation procedure](#).
- Familiarising with all standards and procedures under the PACM to allow for the assessment of activities against relevant requirements.

Independent carbon crediting programmes: Even if there are no direct implications for independent carbon crediting programmes in the voluntary carbon market (VCM) from COP29 Article 6.4 decisions, there are indirect ones. Some independent carbon crediting programmes have communicated that they intend to achieve a certain level of alignment with PACM requirements and standards. Independent crediting programmes may thus wish to consider a so-called “Paris alignment” and to assess to which specific requirements they intend to align.

4. Birth of an ITMO

4.1. Authorisation

In the run-up to and at COP29, Parties increasingly shared the same understanding that for mitigation outcomes to be considered as ITMOs, they must be *authorised and first transferred*. In the following sub-sections, we will discuss the decisions and practical implications of authorisation matters.

4.1.1. COP29 decisions

The COP29 decision provided much needed clarity on the process of authorisation to all actors involved in international carbon markets under Article 6 of the Paris Agreement. The adopted guidance on Article 6.2 cooperative approaches provided clarity on the following (UNFCCC 2025c):

- There are **three components of authorisations**: authorisation of cooperative approaches, ITMOs and entities. Parties can choose whether authorisation of these components occurs through a single, consolidated process or a sequential process. These three components are also reflected in the template developed by the UNFCCC Secretariat.
- A comprehensive **mandatory list of content elements** to be included in the authorisation of mitigation outcomes was agreed, focusing on elements that add value to existing reporting requirements, such as specifications of the authorised uses, the specification of the first transfer definition, the duration of the authorisation, terms and conditions for changes to authorisation, and identification of underlying standards and registries. Defining the duration of



authorisation(s), including the final date for mitigation outcomes to be issued, used or cancelled was a key decision to ensure that corresponding adjustments are applied when the final emissions balance, also referred to as “structured summary”, is prepared for an NDC period.

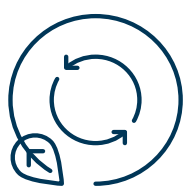
- **Changes to authorisation** must be consistent with the terms and conditions of the authorisation and authorisation must specify the circumstances under which an authorisation may be changed, with a description of the process to manage changes to authorisations and to avoid double counting. Changes to authorisation shall not apply to mitigation outcomes already first transferred, unless otherwise specified upfront in the terms and conditions of changes communicated in the contents of authorisation.
- Parties may use the [voluntary standardised template](#) developed by the UNFCCC Secretariat to provide authorisations containing the mandatory content elements. The **Centralised Accounting and Reporting Platform (CARP)** will provide a public repository of [Parties' statements and/or copies of authorisation](#), including any changes or updates to the same.

Under [Article 6.4](#), the following was agreed (UNFCCC 2025b):

- Host Parties are ‘encouraged’ to **provide authorisation statements as early as possible**, and the SBM will assign the authorisation status at issuance of Article 6.4 emission reductions (A6.4ERs) based on the statement provided by the host Party.
- Authorisation statements **may be included as part of the approval¹⁰ of the Article 6.4 activity** by the host Party and must contain information on whether the host Party (i) authorises, in full or in part, the A6.4ERs for NDC use and/or other international mitigation purposes (OIMP¹¹); (ii) does not authorise A6.4ERs; or (iii) allows issuance of non-authorised A6.4ERs, also referred to as mitigation contribution units (MCUs), but may later authorise those, within a timeframe that may be specified by the SBM. This information must be provided in a template ([projects and programme of activities](#)) developed by the UNFCCC Secretariat for the authorisation statement, which also contains relevant applicable content elements already agreed under Article 6.2.
- **Already issued A6.4ERs can only be authorised before they are transferred in or out of the mechanism registry.** In case of MCUs authorised after issuance, the host Party must apply corresponding adjustments to the associated MCUs already forwarded for share of proceeds for adaptation (SoP-A) and cancelled for overall mitigation in global emissions (OMGE).

4.1.2. Practical considerations

The following factors warrant careful consideration in the context of authorization under Article 6.2:



Article 6.2 of the Paris Agreement provides an accounting and reporting framework, it does not prescribe a standardised procedure for the development of mitigation activities.



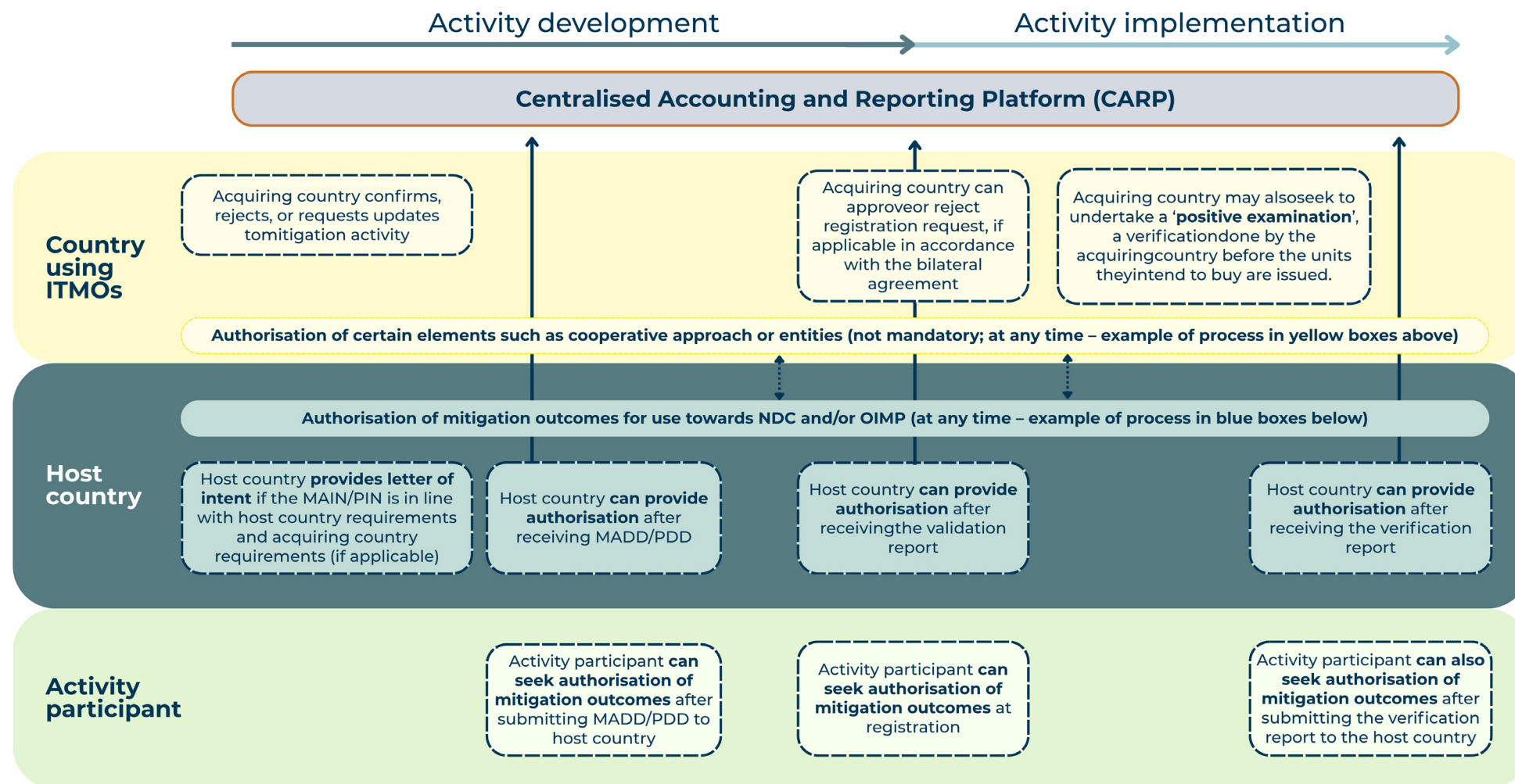
Since it is the prerogative of the Parties to define the procedure for mitigation activity development, as well as to determine the timing of authorisation, multiple approaches may exist regarding when and how participating Parties issue authorisations during the activity cycle.



It is important to note that (i) authorisation can be provided by a participating Party at any point in the cycle, but the duration of authorisation must be specified in the authorisation statement; and (ii) while authorisation is mandatory for the host Party, an acquiring Party may also choose to issue its own authorisation.

Figure 4 illustrates an example process for authorising mitigation outcomes under Article 6.2 of the Paris Agreement, including the roles of, and interactions between, host countries, acquiring (buyer) countries, and activity participants throughout activity development and implementation.

Figure 4: Authorisation under Article 6.2



Legend:

- Dotted lines and boxes represent either optional steps or steps that are not directly regulated by CMA decisions
- Solid lines and boxes represent mandatory steps in the Article 6.2 activity cycle
- Steps directly affected by COP29 decisions

Source: Authors, derived from UNFCCC (2025c)

4.1.2 Practical considerations (continued)

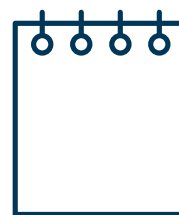
The following must be considered by host Parties when providing authorisation of A6.4ERs under PACM:



Under the PACM, host Parties are encouraged to issue the authorisation statement as early as possible but prior to the first issuance of any A6.4ERs for the activity.



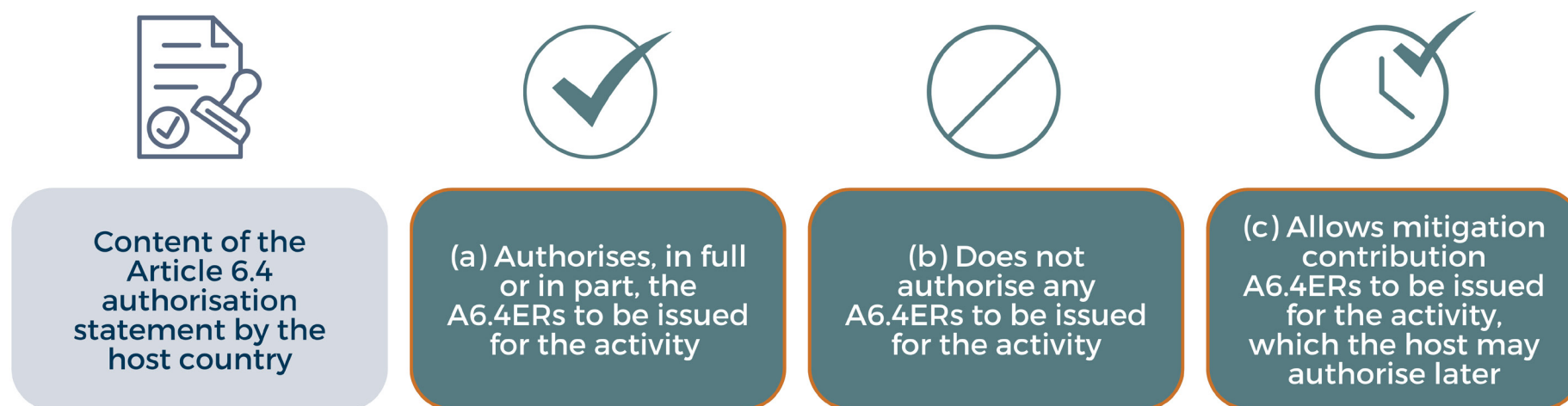
The authorisation statement must indicate whether authorisation is granted in part, in full, at a later stage, or not at all.



Authorisation can be provided at any point between activity approval and transactions or transfers out of the mechanism registry, provided that an authorisation statement was submitted before first issuance of A6.4ERs. Consequently, multiple timing options exist for the provision and/or request of authorisation.

Detailed implications of the COP29 decisions for each actor with regard to authorisation are discussed after Figure 5.

Figure 5: Authorisation under PACM



Legend:

 Processes directly affected by COP29 decisions

Source: Authors, derived from UNFCCC (2025b)

Guidance for different actors on COP29 implications for authorisation under Article 6

Host Parties: Host Parties are responsible for authorising mitigation outcomes under both Article 6.2 and the PACM. This requires:

- Establishing clear processes for issuing authorisations, including:
 - proactively clarifying which mitigation outcomes, they intend to authorise for use toward NDCs and/or other international mitigation purposes, helping to provide certainty to project developers and investors.
 - determining whether they will provide a single consolidated authorisation under Article 6.2 covering authorisation of cooperative approaches, ITMOs and entities or separate authorisations for each component in a sequential manner.
 - determining at what point(s) in the activity cycle they will issue authorisation (e.g., at activity approval, validation, registration, verification or prior to first transfer). For Article 6.2, it will also be important to clarify which component of authorisation is provided at which stage.
 - defining the duration of the authorisation and the final date for the issuance, use, or cancellation of the mitigation outcomes. This is a mandatory requirement that is necessary to avoid that issuance, or use or cancellation, could occur after the Party has finalised its emissions balance for an NDC period, thus avoiding the risk of double counting. See Section 4.3 for further details.
 - Deciding whether it wishes to allow for changes to authorisations after first transfer and, if so, clarifying terms for post-first transfer changes to authorisations. This is a mandatory requirement and essential for managing liability and ensuring predictability for private sector actors.
- Issuing authorisations that include all mandatory content elements agreed at COP29. Parties may consider using the [voluntary standardised template](#) for authorisations to promote completeness, consistency and efficiency. Parties that have already issued authorisations prior to COP29 should review and, if necessary, update these to meet the content requirements agreed at COP29.
- Using the templates developed by the SBM for authorising A6.4ERs from [projects](#) and [programme of activities](#) under the PACM. These templates also contain relevant content elements agreed under Article 6.2 at COP29.

Activity participants: While the Article 6.2 decisions do not directly regulate the role of activity participants, the Article 6.4 rules specify that the host country needs to authorise public or private entities of a PACM activity prior to any first transfer of any A6.4ERs. This is also relevant for activity participants to open an account in the mechanism registry.

Under both Article 6.2 and the PACM, activity participants need to be fully aware of the authorisation processes and requirements established by host Parties, as these directly affect their ability to generate, transfer, or use mitigation outcomes, thereby impacting project viability. This requires:

- Engaging early with host Party authorities to understand national procedures for granting authorisation and to confirm whether their activity type is eligible.
- Clarifying the duration of the authorisation as well as the final date for the issuance, use or cancellation of mitigation outcomes to align activity participants' implementation

schedules and operational planning accordingly. Uncertainty on the duration of authorisation could lead to a situation where mitigation outcomes generated by the activity are no longer eligible for transfer, use, or even issuance, thus, undermining the activity's viability.

- Engaging with the host Party to understand the terms and conditions for changes to authorisation as this can impact activity development and the ability to attract investors.
- Ensuring that the authorisation provided by the host Party correctly reflects the information included in the underlying mitigation activity design document (MADD) or PDD to avoid potential inconsistencies.
- Checking whether the host Party has included all mandatory information in the authorisation, to ensure it is valid and any transactions of ITMOs are appropriately reported by the Parties involved and corresponding adjustments will be applied accordingly.

In certain instances, activity participants can also be investors. Therefore, aspects that can affect investment certainty and financial attractiveness of the activity are discussed under guidance for investors below.

Investors and intermediaries: Their role is not directly regulated by the CMA decisions. However, the decisions can have indirect implications for them. Under both Article 6.2 and the PACM, investors and intermediaries need to engage with host Parties to:

- understand the authorisation processes and requirements to assess the viability of mitigation activities.
- seek to obtain authorisation as early as possible to increase investment certainty.
- get clarity on the duration of authorisation. For instance, a shorter duration of authorisation can impact project viability and operational flexibility.
- seek to avoid that the authorisation allows for possible changes after first transfer or to restrict such changes to specific, serious cases (e.g., fraud, human rights violations by the activity participant).

To manage risks related to authorisation, such as failure to obtain authorisation, changes to authorisations that would turn acquired ITMOs as invalid, and to manage the risk that the host Party fails to apply corresponding adjustments, investors should:

- ensure that contractual arrangements with host country counterparts and project developers clearly allocate responsibilities and liabilities in the event of delays, changes, or failure to secure authorisation, possible changes to authorisation, and possible instances where the host Party fails to apply corresponding adjustments as required. One possible instrument designed to support legal clarity for investors is the Multilateral Investment Guarantee Agency's (MIGA) Letter of Authorisation template (MIGA 2024).

UNFCCC Secretariat: The UNFCCC Secretariat is responsible for uploading all authorisations (e.g., letters, statements etc), including any subsequent updates or changes, to the CARP to ensure transparency, consistency, and public accessibility.

SBM: Under the PACM, the role of the SBM with regards to authorisations is to receive authorisation statements from host Parties prepared using its template. As of March 2025, the SBM has developed host Party authorisation templates for authorising the use of A6.4ERs from both [projects](#) and [programme of activities](#). Following the COP29 decisions, the SBM needs to also establish the necessary



guidelines for operationalising the application of requirements for corresponding adjustments with respect to the mitigation contribution A6.4ERs already forwarded for SoP-A and cancelled to deliver OMGE.

Independent crediting programmes, while not directly regulated by CMA decisions, can issue carbon credits used in the context of Article 6.2 cooperative approaches. Activities registered under independent crediting programmes can seek authorisation under Article 6.2, provided they meet the requirements enshrined in the Article 6.2 guidance and other national requirements of the host Party they are seeking authorisation from. To facilitate this, independent crediting programmes can:

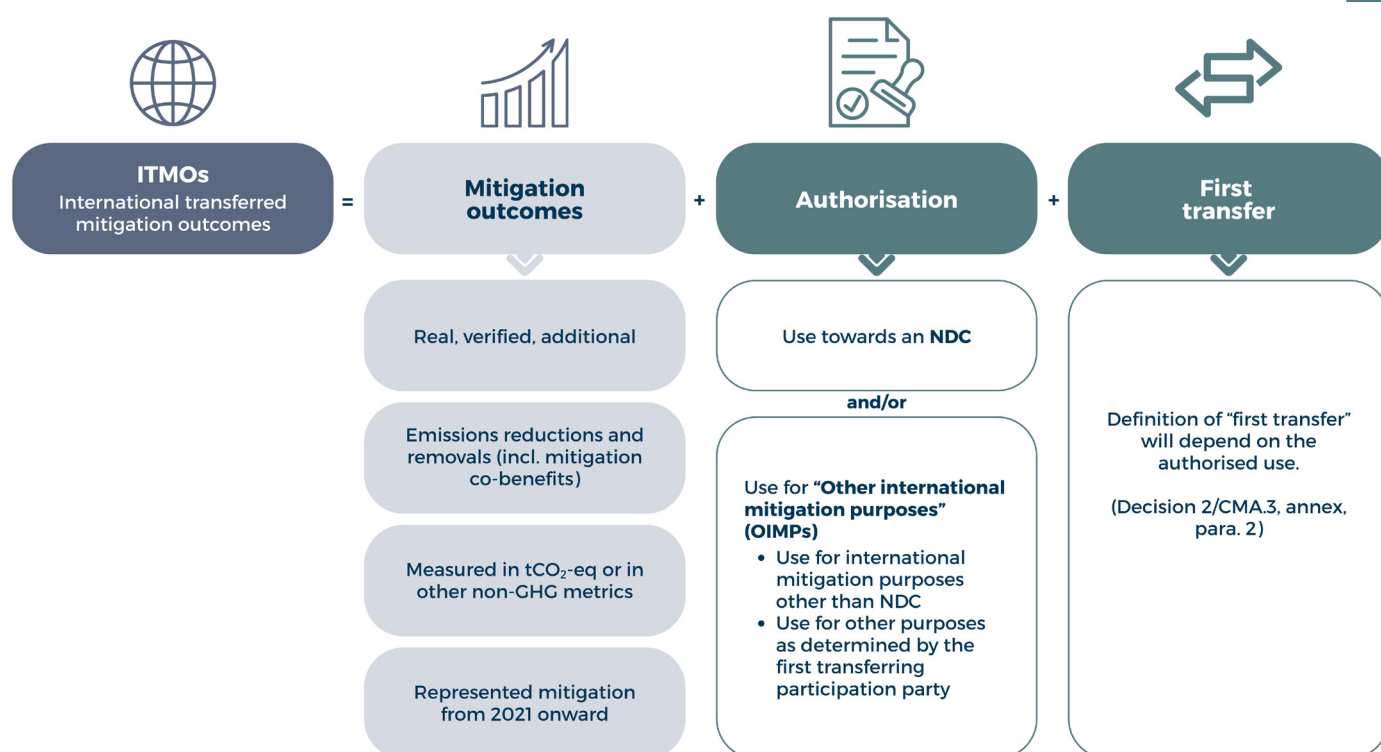
- ensure their standards, processes, and documentation are aligned with the Article 6.2 guidance and can accommodate national priorities and circumstance of the host Party.
- assist activity participants, including investors, in navigating the authorisation processes in different participating Parties
- approve insurance policies to protect activity participants against an event of breach of contract by the host Party when it comes to authorisation. For instance, Gold Standard recognises the guarantee provided by MIGA for the avoidance of double claiming under Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) (Gold Standard 2024).

4.2. First transfer

4.2.1. COP29 decisions

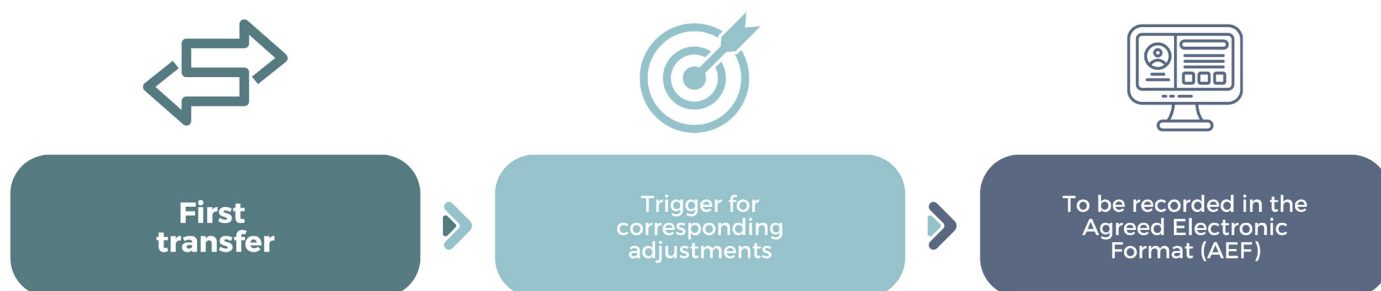
The specification of the application of the **first transfer** was one of the technical and important areas in the negotiations at COP29. Specifying the application of the first transfer is important, as the first transfer triggers the application for corresponding adjustments to avoid double counting of mitigation outcomes. The Glasgow guidance was clear that the first time a mitigation outcome authorised for use towards NDCs is **internationally transferred** constitutes the first transfer. Where a mitigation outcome is used towards OIMP, the first transfer must be specified by the host country either as the **authorisation, issuance or use/cancellation** (UNFCCC 2022).

Figure 6: Definition of an ITMO



Source: Article 6 Implementation Partnership 2025

Figure 7: The trigger of corresponding adjustments



Source: Authors



At COP29, Parties agreed on further guidance regarding the application of first transfer. The decision clarified that an authorisation needs to occur prior to a first transfer (UNFCCC 2025c). The decision also specifies (para. 12) that if a host Party authorises the use of the same mitigation outcome towards the achievement of NDCs or towards OIMP, the **first transfer is recorded as the earlier of:** the first international transfer or the first transfer as specified by the Party for OIMP.

To ensure that proper accounting occurs within the NDC period, and ‘issuance’ or ‘use or cancellation’ do not happen after the country has finalised its emission balance for that NDC period, the following was agreed regarding mitigation outcomes authorised for OIMP use (UNFCCC 2025c):

- First transfer must be recorded by **no later than 31 December** of the year prior to the submission of the biennial transparency report (BTR) for the NDC period.
- Parties need to specify in their authorisation the **duration of the cooperative approach**, including the **final date for mitigation outcomes** to be issued, or to be used or cancelled with respect to first transfer specification for OIMP use cases.

COP29 further clarified that voluntary contributions of authorised mitigation outcomes to adaptation (SoP-A) or OMGE shall also be recorded as first transfer.

4.2.2. Practical considerations

The following considerations must be taken into account by host Party when specifying first transfer:



The first transfer is a critical step in the Article 6 activity cycle, as it marks the 'birth of an ITMO'.



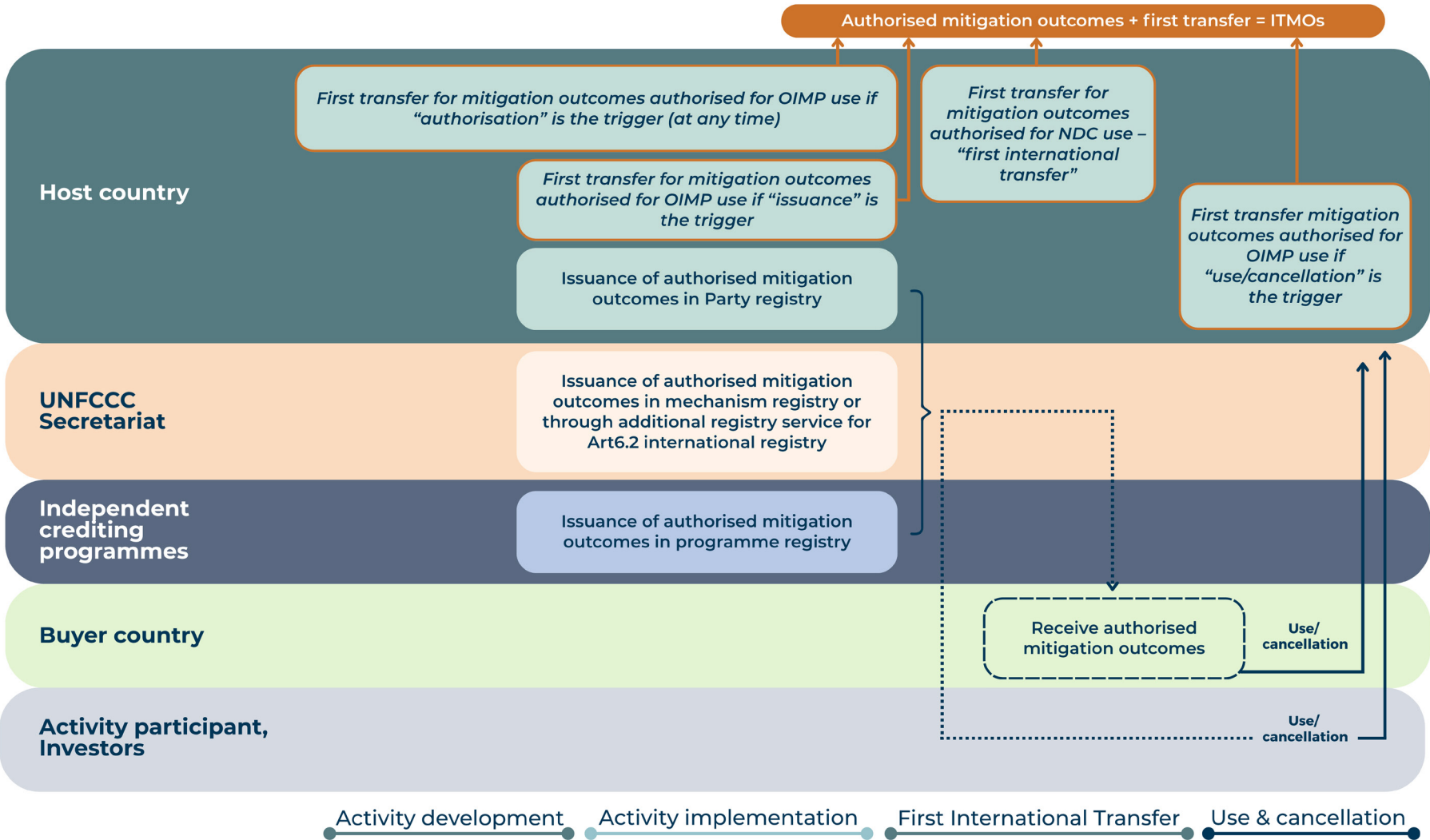
If a host Party specifies an early application of first transfer for mitigation outcomes authorised for OIMP, i.e., issuance or authorisation, this will provide early certainty to market participants of the mitigation outcomes becoming ITMOs but may reduce the host Party flexibility.



If a host country specifies a later application of first transfer for mitigation outcomes authorised for OIMP, i.e., use or cancellation, this will allow host Parties to retain flexibility but will hamper market certainty.

Figure 8 below illustrates the process for applying first transfer. It differentiates between authorisation of mitigation outcomes for NDC use and OIMP use. Detailed implications of the COP29 decisions for each actor with regard to first transfer are discussed after the figure.

Figure 8: Authorisation and first transfer under Article 6.2



Legend:
Processes directly affected by COP29 decisions

Source: Authors, derived from UNFCCC (2025c; 2022a)

Guidance for different actors on COP29 implications for application of 'first transfer' under Article 6

Host Parties: The specification of first transfer has far-reaching implications for the use of mitigation outcomes. The COP29 decision provides full flexibility in terms of specifying the application of first transfer to the host Party. The host Party:

- Should be aware that in case the same mitigation outcome is authorised for NDCs or OIMP, the options for recording the 'first transfer' are limited to either 'authorisation', 'issuance' or 'international transfer of the mitigation outcome'.
- Must be aware that the authorisation timing impacts the timing of the subsequent 'first transfer'.
- Must use the same specification of first transfer consistently within the same cooperative approach but can use another specification for a different approach.
- Must have arrangements in place to be notified about the issuance, the use or the cancellation in case mitigation outcomes are authorised for use towards OIMP and first transfer is specified as 'issuance' or 'use or cancellation'. For example, if the Article 6.2 cooperative approach uses the Gold Standard, the host Party must be notified of relevant 'issuances' or the 'use or cancellations' of carbon credits within the Gold Standard registry, as the instances constitute a first transfer and triggers the requirement for the host Party to report the respective quantities in its subsequent agreed electronic format (AEF) and to apply the respective corresponding adjustments in its subsequent BTR.
- Must align the duration of the authorisation for the OIMP with the intended timing of the final BTR submission for an NDC period. The authorisation should only remain valid until 31 December of the year prior to submitting the BTR. This ensures that all first transfers in relation to the authorisation occur in time for the country to reflect the corresponding adjustment in the final BTR submission for an NDC period.

Activity participants: There are some indirect implications that activity participants should be aware of regarding the application of the 'first transfer':

- Depending on how the host Party specified the first transfer for OIMP and potentially the duration of the authorisation, monitoring plans and issuances should be planned accordingly to allow relevant transactions to occur before the authorisation is no longer valid.

Intermediaries and investors: The specification of first transfer in the case of OIMP can considerably impact the timing when mitigation outcomes become ITMOs. ITMOs usually attract higher prices compared to non-authorised mitigation outcomes. This is relevant to both actors. In this context, intermediaries and investors should also be aware of the host Party's choice regarding first transfer in the case of authorisation for OIMP and implications thereof:

- Specifying the 'first transfer' for OIMP as the point of 'issuance' implies that, for the carbon credits to be used as ITMOs, issuance must be recorded no later than 31 December of the year prior to the final BTR submission¹² for the NDC period. This establishes an effective issuance deadline for the carbon credits to be used as ITMOs. The carbon credits could still be issued thereafter, but then only be used as non-authorised carbon credits. If the carbon credits are issued within the deadline, there is no time limit until when they can be used as ITMOs.

- Specifying the ‘first transfer’ for OIMP as the point of ‘use or cancellation’ implies that, for the carbon credits to be used as ITMOs, the use or cancellation must occur no later 31 December of the year prior to the submission of the final BTR for the NDC period. This effectively creates a deadline for the use or cancellation for the carbon credits to be used as ITMOs. The carbon credits could still be cancelled or used thereafter, but then only as non-authorised carbon credits and not as ITMOs.¹³

Independent Crediting programmes: While it is the host Parties’ responsibility to ensure that they are informed about the ‘issuance’ or ‘use or cancellation’ for mitigation outcomes authorised for OIMP, independent carbon crediting programmes should also have an interest in proper accounting and facilitate and support that communication. They should establish communication channels with host Parties to facilitate that the information can easily feed into the host country’s reporting. This could interoperability arrangements between the carbon crediting program’s registry system and the ITMO registry used by the host country. Such arrangements could ensure that the ITMO registry of the host country automatically conducts the first transfer once it is notified by the carbon crediting programme that an issuance or a use or cancellation occurred.

5. Interoperability between registries

5.1. COP29 decisions

At COP29, the nature and interoperability of the international registry with the mechanism registry and other registries were the main points of discussions during negotiations. Parties had already earlier decided that the international registry should be able to ‘pulling and viewing’ information on authorised units held in other registries (e.g., a national registry or a registry operated by an independent carbon crediting programmes). However, it was controversial whether the international registry should also allow for a ‘transactional’ function, allowing for issuance of ITMOs and their transfer between the international registry and other connected registries (e.g., the mechanism registry or a national registry).

With regards to the interoperability between registries, the following was agreed (UNFCCC 2025b; 2025c):

- The international registry’s connection with the mechanism registry and participating Party registries must allow for **both pulling and viewing** of information regarding authorised A6.4ERs as well as **transfer** of authorised A6.4ERs as ITMOs.
- **Additional registry services** will be provided by the UNFCCC Secretariat outside the core functionalities of the international registry to **enable issuance of mitigation outcomes** that a Party intends to authorise, for Parties that request such a service. Furthermore, the additional registry services **shall implement interoperability arrangements** with the Article 6.2 international registry, which shall allow for the transfer of ITMOs.
- **UNFCCC Secretariat shall assist Parties**, at their request, **to implement a national registry** under Article 6.2 for the generation, certification and issuance of mitigation outcomes as units.
- Participating Party registries may **voluntarily connect to the mechanism registry** and that this connection shall **enable transfers** of authorised A6.4ERs and **pulling and viewing** of data and information on authorised A6.4ERs.

5.2. Practical considerations

Following the COP29 decisions, the Article 6 infrastructure landscape consists of the following elements:



CARP

CARP is a repository of information on cooperative approaches, participating Parties and ITMOs. It hosts both the Article 6 database and the Article 6.2 international registry.



Article 6 Database

Article 6 Database records quantitative information on a Party's emissions balance, corresponding adjustments and ITMO-related actions, with the information being received from Party registries, the international registry and the mechanism registry.



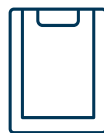
Party registry

Party registries are a type of Article 6.2 registry that are managed by individual Parties and can transfer and receive units and exchange information with the international registry and the mechanism registry.



International registry

The international registry is administered by the UNFCCC Secretariat and serves as an alternative to Party registries. Additional registry services such as issuance are available to Parties using the international registry that require issuance functionality, and this is fully interoperable with the international registry.



Independent crediting programme registry

Independent crediting programmes can also provide their registry platforms to Parties to issue, hold and transact mitigation outcomes to be authorised as ITMOs.

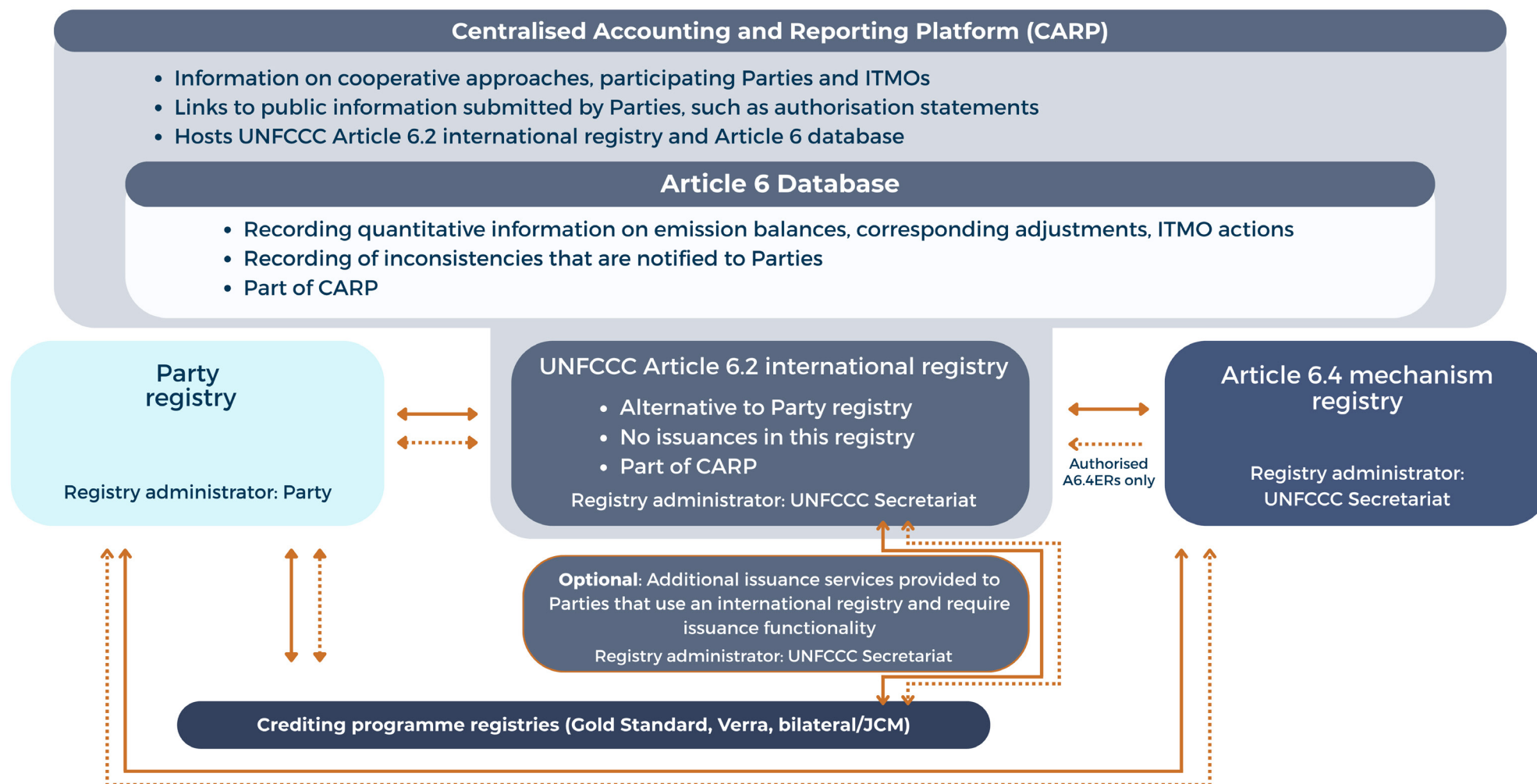


Mechanism registry

Mechanism registry is the only registry under the PACM to issue and manage A6.4ERs and is administered by the UNFCCC Secretariat.

Figure 9 below illustrates the Article 6 infrastructure architecture, showing information flows (solid arrows) and unit transfers (dashed arrows), and highlighting interoperability within the Article 6 infrastructure landscape. Detailed implications of the COP29 decisions for each actor with regard to Article 6 registries are discussed after the figure.

Figure 9: Article 6 infrastructure landscape



Legend:

- Information flow
- Transfer

Source: UNFCCC (2022a; 2022b; 2025b; 2025c)

Guidance for different actors on COP29 implications for Article 6 registries

Participating Parties:

Under Article 6.2, participating Parties have the flexibility to choose between three tracking arrangement options for ITMOs:

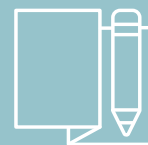


Option 1

Developing and/or using national registries for the generation, certification and issuance of mitigation outcomes to be authorised as ITMOs.

Option 2

Having Party accounts in the international registry administered by the UNFCCC Secretariat.



Option 3

Using a registry from underlying crediting programmes that generates and issues underlying mitigation outcomes in a manner that allows the country to track and record the units when authorised as ITMOs.

These are not mutually exclusive options as, for instance, option 3 can be combined with option 1 or option 2, in which case the national registry or the international registry will use the 'pulling and viewing' function to access information from carbon crediting programme registries. Parties that use either option 1 or option 2 are no longer at a disadvantage of choosing one over the other as they can request issuance services even if using only the international registry, which is provided through additional registry services and is fully interoperable with the international registry.

The following aspects must be considered by Parties in relation to Article 6.2 registries:

- Parties must clearly identify, in a timely manner, which ITMO tracking arrangement option is chosen, as this is not only relevant for meeting participating requirements but is also an element to be reported in the authorisation statement.
- Parties using underlying registries from crediting programmes must ensure that there are provisions in place for information on the transactions of the underlying units to flow to them effectively and in real-time to ensure accurate and timely reporting of ITMO information in the agreed electronic format (AEF) and regular information.

With regards to the **PACM**, clarity on the interoperability between the mechanism registry and the international registry as well as Party registries implies that authorised A6.4ERs can be moved out of the mechanism registry to their designated Article 6.2 registry, thus allowing all authorised units to be held in one registry and thus facilitating reporting.

To open an account in the mechanism registry, a Party needs to designate a representative who assumes the authority and responsibility for all actions regarding the account (UNFCCC 2024d). The nomination of the designated representative as well as request for opening an account must be done through the dedicated interface on the UNFCCC website. Furthermore, in the case that public or private entities need a holding account in the mechanism registry, Parties must ensure that a letter of authorisation has been provided to them, identifying them as authorised entities.

Activity participants, including investors: The COP29 decisions do not introduce direct implications for activity participants regarding registries. Under Article 6.2, activity participants may hold accounts in the Party registries or in underlying registries being used by the Parties. With regards to the international registry, authorised entities can have accounts in the Party-specific sections of the international registry, which is administered by the Parties themselves. Activity participants would need to engage directly with participating Parties to understand the conditions for opening such accounts.

Under the PACM, activity participants may hold registry accounts if they obtain a letter of authorisation from a participating Party formally recognising them in this role (UNFCCC 2022b, para 63). Public or private entities may open their own holding account by submitting a request through the dedicated interface on the UNFCCC website, subject to applicable terms and conditions for entity account holders, identity verification processes, and the authorisation from a Party (UNFCCC 2024d). Each holding account may only be authorised by only one Party; however, entities may hold multiple accounts, each authorised by a different Party.

UNFCCC Secretariat: As the administrator of the international registry and provider of additional registry services under Article 6.2, the UNFCCC Secretariat must account for increased budgetary requirements associated with operationalising interoperability between the international registry, mechanism registry and Party registry to allow for transfers and pulling and viewing of information on authorised A6.4ERs; as well as providing additional registry services (e.g., issuance service).

As the administrator of the mechanism registry under the PACM, the UNFCCC Secretariat must ensure that interoperability functions are established between the mechanism registry and the international registry to enable the transfer as well as pulling and viewing of information on authorised A6.4ERs. In addition to this, the UNFCCC Secretariat must develop the mechanism registry in a way that allows Parties to voluntarily connect their Party registries.

Independent crediting programmes: While independent crediting programmes do not play a role in the PACM, they can play an important role under Article 6.2 by providing their registries for countries to issue, hold, transact mitigation outcomes to be authorised as ITMOs. Independent crediting programmes need to ensure that their registries can effectively transact and track mitigation outcomes that will be or are authorised and 'first transferred', while ensuring avoidance of double counting by transparently tagging units. Furthermore, they should cooperate with participating Parties utilising their registry infrastructure to ensure smooth and real-time flow of information on the transactions of underlying units to facilitate Parties in meeting their reporting requirements.

Intermediaries: While not directly impacted by COP29 decisions, intermediaries such as data platforms and exchanges can play a role under Article 6. As a repository of data and information on Article 6 units across different registry types, they can facilitate reporting for participating parties.

References

Gold Standard (2024): Guideline. Eligibility of Gold Standard VERs for use under CORSIA's first phase (2024-2026), https://globalgoals.goldstandard.org/standards/115G_v1.0_Eligibility-of-Gold-Standard-VERs-for-use-under-CORSIA-s-first-phase.pdf (accessed May 12, 2025)

MIGA (2024): Letter of authorization for use of emissions reductions under Article 6.2 of the Paris Agreement for international mitigation purposes or other purposes. Template, <https://www.miga.org/sites/default/files/2024-11/MIGA%20Letter%20of%20Authorization%20Template.pdf> (accessed May 12, 2025)

UNFCCC (2025a): Decision 5/CMA.6. Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2024_17a01E.pdf (accessed April 16, 2025)

UNFCCC (2025b): Decision 6/CMA.6. Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2024_17a01E.pdf (accessed April 16, 2025)

UNFCCC (2025c): Decision 4/CMA.6. Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2024_17a01E.pdf (accessed April 16, 2025)

UNFCCC (2024a): A6.4-STAN-METH-001. Standard. Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies, <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-001.pdf> (accessed March 26, 2025)

UNFCCC (2024b): A6.4-STAN-METH-002. Standard. Requirements for activities involving removals under the Article 6.4 mechanism, <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-002.pdf> (accessed March 26, 2025)

UNFCCC (2024c): Procedure. Article 6.4 activity cycle procedure for projects, <https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-002.pdf> (accessed March 26, 2025)

UNFCCC (2024d): Procedure. Article 6.4 mechanism registry, <https://unfccc.int/sites/default/files/resource/A6.4-PROC-REGS-001.pdf> (accessed May 12, 2025)

UNFCCC (2022a): Decision 2/CMA.3. Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=11 (accessed March 26, 2025)

UNFCCC (2022b): Decision 3/CMA.3. Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement, https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25 (accessed March 26, 2025)

End Notes

- 1 [A6.4-STAN-METH-001: Standard](#) - Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies
- 2 [A6.4-STAN-METH-002: Standard](#) - Requirements for activities involving removals under the Article 6.4 mechanism
- 3 [A6.4-STAN-METH-003: Standard](#) - Demonstration of additionality in mechanism methodology
- 4 [A6.4-SBM016-A12: Standard](#) - Setting the baseline in mechanism methodologies
- 5 [A6.4-SBM016-A13: Standard](#) - Addressing leakage in mechanism methodologies
- 6 [A6.4-STAN-AC-002: Standard](#) - A6.4 activity standard of for projects; For programmes: [A6.4-STAN-AC-004: Standard](#)
- 7 [A6.4-PROC-AC-002: Procedure](#) - Article 6.4 activity cycle procedure for projects; [A6.4-PROC-AC-003: Procedure](#) - Article 6.4 activity cycle procedure for programmes of activities
- 8 [A6.4-PROC-METH-001: Procedure](#) - Development, revision and clarification of methodologies and methodological tools
- 9 [A6.4-TOOL-AC-001: Tool](#) - Article 6.4 sustainable development tool
- 10 Activity approval is a mandatory step in the PACM activity cycle and is distinct from authorization. When the activity participant submits the Project Design Document (PDD) for global stakeholder consultation, the host country is simultaneously notified and asked to either approve or reject the activity for registration under the PACM. Host Party authorisation is required to authorise the use of A6.4ERs towards achievement of NDCs or OIMP.
- 11 OIMP refers to the use of ITMOs beyond achieving NDCs. These use cases can include, but are not limited to, the use of ITMOs for international aviation schemes like CORSIA, or for voluntary use by public or private entities
- 12 There are different BTR submission timelines for developing and developed countries.
- 13 Mitigation outcomes authorised for OIMP can generally be banked as compared to mitigation outcomes authorised for NDC use



CONTACT

Perspectives Climate Group GmbH Freiburg
Hugstetter Strasse 7 | 79106
Freiburg | Germany
Phone: +49 761 590 33 823

info@perspectives.cc
www.perspectives.cc