ARTICLE 6 SERIES

UNDERSTANDING THE INTERACTIONS BETWEEN ARTICLE 6, THE VOLUNTARY CARBON MARKET AND CORSIA – AN INTRODUCTION

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This paper forms part of a series of five papers related to Article 6 of the Paris Agreement, prepared for the Pacific Alliance's Technical Sub-Group on Monitoring, Reporting and Verification (SGT-MRV). It has been developed by Gold Standard under a programme supported by Environment and Climate Change Canada (ECCC) (2022-2026).

The intention of each paper in this series is to provide policymakers with an introduction to a topic identified by SGT-MRV focal points as a priority for further training. Each paper follows a two-hour training session led by Gold Standard in 2025-6 and is supported by recommendations for further resources related to the topic. Links to further resources are available at the end of this paper.

SUMMARY

- Article 6 is a flexible instrument which can help countries and companies to meet climate targets
- There are three ways of generating Article 6 carbon credits: through PACM, independent crediting programmes, or national or bilateral approaches
- Countries can decide for which purposes Article 6 carbon credits can be used
- CORSIA will be a major source of demand for Article 6 carbon credits

BACKGROUND

Under the Paris Agreement, it was agreed for the first time that all Parties must contribute to the achievement of a set of long-term goals, including through the mitigation of greenhouse gas emissions. These contributions – referred to as Nationally Determined Contributions (NDCs) – should become more ambitious over time, with Parties encouraged to move to economy-wide NDCs by their 2035 targets. By convention, greenhouse gas (GHG) emissions from the international aviation and maritime sectors remain outside the scope of Parties' NDCs, with these emissions managed under the International Civil Aviation Organization (ICAO) and International Maritime Organization (IMO) respectively.

Parties also agreed that the achievement of their NDCs can be enabled by market-based cooperation, reflected in the adoption of Article 6 of the Paris Agreement. While market-based cooperation was also included under the Kyoto Protocol, Article 6 represented a fundamental change in several respects. In addition to establishment of a new crediting mechanism under the UNFCCC to succeed the Clean Development Mechanism (the CDM), Parties decided that they should have considerable flexibility to set up their own models for market-based cooperation if they choose to do so, formalised under Article 6.2. Parties could choose to use the Paris Agreement Crediting Mechanism (PACM, the CDM's successor) established under Article 6.4 of the Paris Agreement, to generate mitigation outcomes. Alternatively, they could – for instance - choose to use national standards or programmes, or rely on independent crediting programmes that had traditionally been used by companies to meet voluntary climate commitments, such as Gold Standard or Verra.

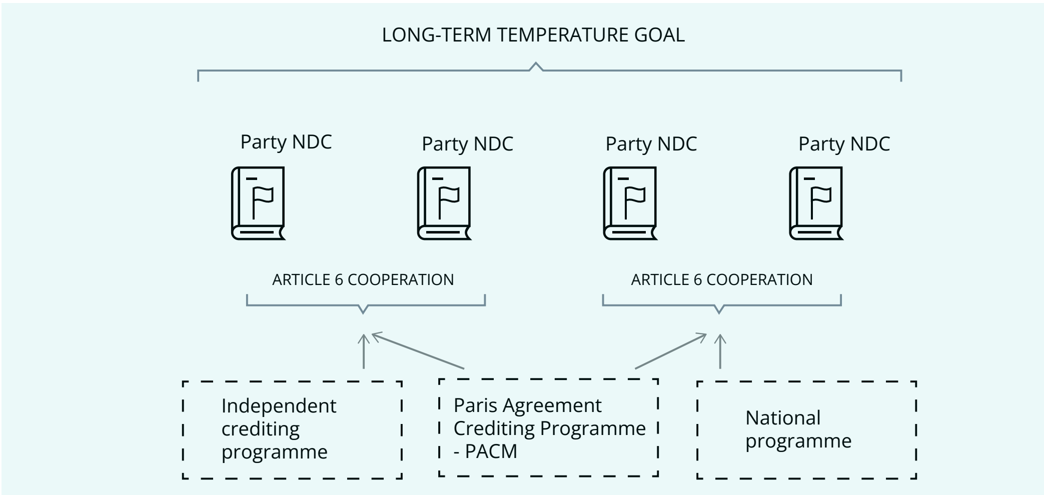


Figure 1 – Illustration of role of Article 6 under the Paris Agreement and options for generation of mitigation outcomes.

In 2016, one year after Parties negotiated the Paris Agreement at COP21, ICAO reached agreement on CORSIA, the Carbon Offsetting and Reduction Scheme for International Aviation. Under CORSIA, ICAO States agreed to a headline objective of carbon-neutral growth in CO2 emissions from international aviation from 2020 onwards. Any increases in greenhouse gas emissions after this date must be compensated for by either the use of Sustainable Aviation Fuels or the retirement of 'eligible emissions units' (carbon credits). In practice, the higher cost of Sustainable Aviation Fuels means that the majority of compensation is expected to come from the use of carbon credits.

In the years following COP21, Parties to the Paris Agreement negotiated a more detailed rulebook for Article 6. Article 6 was originally envisaged as a framework for Party-to-Party cooperation, meaning that a mitigation outcome achieved in one country (a 'host country') could be transferred for use by another Party towards its NDC, with both countries applying a 'corresponding adjustment' to their GHG emissions balance to reflect the transfer and to avoid double counting. However, Parties subsequently recognised that, to avoid double counting, host countries may also need to apply corresponding adjustments for mitigation outcomes (in the form of carbon credits) used for different purposes.

First, Parties recognised that for CORSIA to have an environmental impact, any carbon credits used under the scheme should not also be counted towards a country's NDC. With international aviation emissions falling outside of countries' NDCs, any use of credits to offset the impact of increased international aviation emissions would be double counted unless the host country applied a corresponding adjustment.

Second, Parties also recognised that some companies may choose (or be obligated) to only use carbon credits toward voluntary climate targets that had been correspondingly adjusted under Article 6. This would allow them to claim to have supported GHG mitigation that goes beyond national commitments. There is no consensus amongst market participants as to whether corresponding adjustments are needed in this context to avoid double counting, but certain Parties wished for this option to be available under the Article 6 framework.

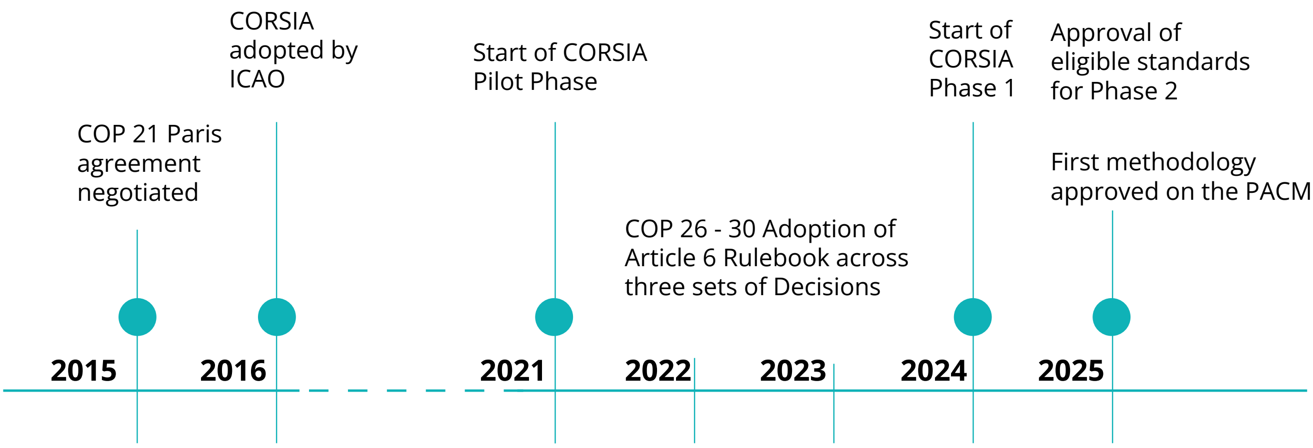


Figure 2 – Timeline of key milestones in the implementation of Article 6 and CORSIA.

At COP26, Parties adopted a rulebook for Article 6.2 that allowed participating Parties to commit to apply corresponding adjustments for all, some or one of three different possible uses of mitigation outcomes:

USE TOWARDS ANOTHER PARTY'S NDC.	**USE TOWARDS INTERNATIONAL MITIGATION PURPOSES.**	**USE TOWARDS OTHER PURPOSES.**
This is the original use purpose envisaged under Article 6, under which mitigation outcomes achieved in the jurisdiction of a host Party are transferred for use towards the NDC of another Party.	This in effect allows mitigation outcomes achieved in the jurisdiction of a host Party to be used by an airline under CORSIA, even if that airline is headquartered in the same host Party. It could also be applied in the future if the International Maritime Organisation (IMO) were to establish a scheme that enabled the use of credits to compensate for international maritime emissions.	This allows host Parties to determine other purposes for which they agree to apply a corresponding adjustment. In practice, this can be used to allow mitigation outcomes to be used by companies towards voluntary climate targets.

In establishing these rules, Parties effectively established two different possible routes for voluntary climate action (the traditional 'voluntary carbon market') under the Paris Agreement. Carbon credits used towards a voluntary climate target could be subject to a corresponding adjustment, in which case they would represent emission reductions that go beyond the host country's NDC. They could also not be subject to a corresponding adjustment, in which case they would – assuming accurate inventory accounting – support achievement of a host country's NDC. Carbon credits used towards a domestic carbon tax would also achieve the same objective of contributing towards the host country's NDC, if generated within its jurisdiction. This was reflected in rules adopted for the Paris Agreement Crediting Mechanism at COP27, when Parties established the concept of a 'mitigation contribution unit': a carbon credit that is not subject to a corresponding adjustment and therefore 'contributes' to a host country's NDC.

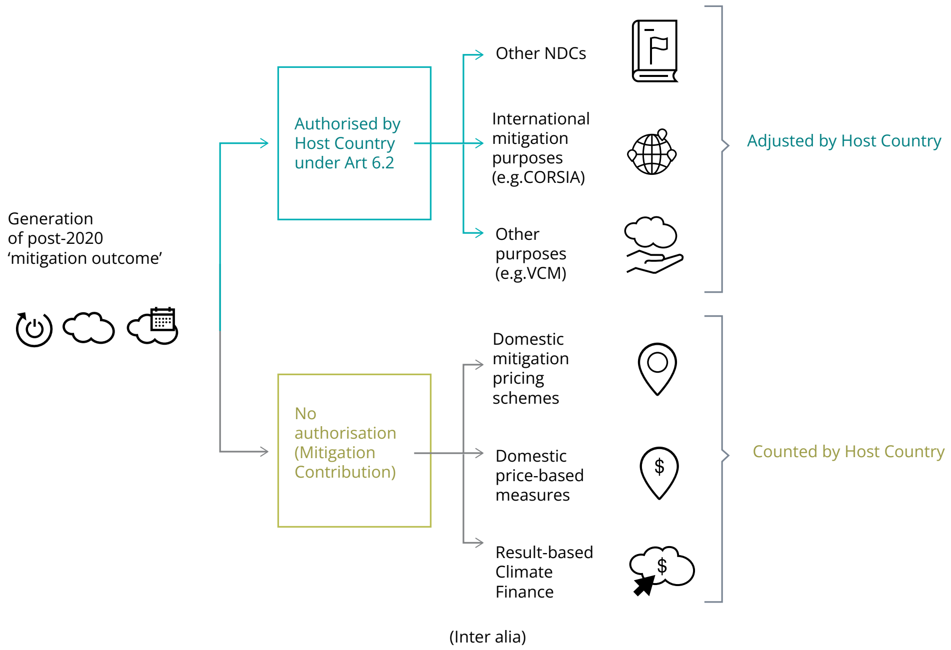
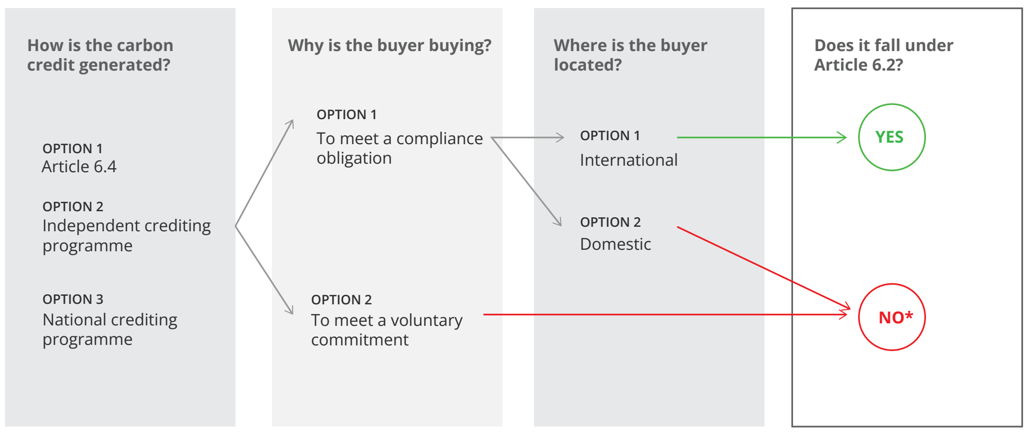


Figure 3 – Overview of possible paths for mitigation outcomes (i.e., carbon credits) in the context of Article 6.

It is important to be aware of this historical context in order to understand the relationship between Article 6, CORSIA and the voluntary carbon market. The Article 6 rulebook, as reflected in a series of decisions adopted from COP26 to COP29, has dismantled the former landscape of broadly distinct voluntary and compliance carbon markets. Instead, a project developer registered with an independent crediting programme could in theory choose whether to seek to supply credits for use by another government towards its NDC, an airline for use under CORSIA or a company for use towards a voluntary climate target. At the same time, a Party hosting carbon market activities can decide which mitigation outcomes it wants to use towards its own NDC, and which it is willing to apply corresponding adjustments for. This provides a new opportunity for Parties to use the carbon market strategically to support their near-term climate objectives in their NDC as well as their longer-term objectives under their Long-Term Low Emission Development Strategy (LT-LEDS).



* Voluntary buyers may choose to purchase Article 6 credits, and this could become required in the future, for instance under Science Based Targets Initiative.

Figure 4 – Decision tree to determine wheter or not a carbon credit falls within the scope of Article 6.2.

ARTICLE 6 AND THE VOLUNTARY CARBON MARKET

An independent crediting programme is a non-governmental organisation that has established a standard for certifying the impacts achieved by carbon projects, and accompanying governance arrangements, procedures and infrastructure to support its implementation. Independent crediting programmes issue carbon credits to projects registered with them, following verification that the project has achieved emission reductions or removals in line with the programme's standard. Independent crediting programmes may either operate on a for-profit or not-for-profit basis[1].

There are over 50 independent crediting programmes operating globally, but only 9 with a market share of at least 1% in 2025[2]: Gold Standard, Verra, American Carbon Registry (ACR), Climate Action Reserve, BioCarbon Standard, Architecture for REDD+ Transactions (ART TREES), Universal Carbon Registry, Cercarbono and Global Carbon Council.

All of these crediting programmes supply credits that are used by companies towards voluntary climate targets. Many of these standards are also eligible to supply credits for different use purposes under Article 6, or for domestic compliance markets globally. This is shown in Figure 5 below.

[1] Gold Standard operates on a non-profit basis.
[2] Allied Offsets (2026), based on volume of carbon credits issued in 2025.

Crediting programme	CORSIA eligibility (Phases 1 and 2)	Domestic taxes / ETS's	Article 6 trading for NDCs
ACR	Phase 1 and 2	California	Singapore
ART TREES	Phase 1 and 2		Singapore
BioCarbon Standard	Conditional (Phase 1)	Colombia, Chile	
Cercarbono	Conditional (Phase 1)	Colombia, Chile	
Climate Action Reserve	Phase 1	California, Mexico	Singapore
Global Carbon Council	Phase 1		Singapore
Gold Standard	Phase 1 and 2	Colombia, Chile, South Africa, Singapore	Singapore, Sweden, Norway
Universal Carbon Registry	No		
Verra	Phase 1 and 2	California, Colombia, Chile, South Africa, Singapore	Singapore

Figure 5 – Overview of eligibility of independent crediting programmes for compliance markets or use purposes, as of February 2026

Crediting programmes have made or need to make changes to their rules, procedures and infrastructure in order to supply credits for different use purposes under Article 6. These changes are needed to ensure that both the crediting programme itself, and Parties choosing to apply corresponding adjustments for credits issued by the crediting programme, are compliant with Decisions adopted within the UNFCCC.

These changes include:

— **Integrity requirements**: Ensuring that all credits are issued to projects that go beyond regulatory requirements in the host country, and apply a baseline set 'below business-as-usual'. For some (but not necessarily all) crediting programmes, this may go beyond requirements that were previously in place.

— **Infrastructure**: Introducing labelling to indicate when credits have been authorised by a project's host country for use under Article 6, the authorised use purposes as well as whether a corresponding adjustment has been applied. Some programmes are also introducing or updating registries to enable connectivity to national registry systems.

— **Procedures**: Establishing new internal procedures to review Article 6 Authorisation letters provided by host Parties, to track Parties' reporting to the UNFCCC and to report data and other information to host Party officials as required.

By introducing these changes, independent crediting programmes are in effect aligning themselves more closely with the Paris Agreement Crediting Mechanism (PACM) operating under the UNFCCC. While each programme differs in its requirements, its scope and the rigour of its rules, the PACM has effectively the same function under the overall Article 6 framework as independent crediting programmes. A project developer can choose whether to register their project(s) under the PACM or an independent crediting programme, with both able to serve both Article 6 and non-Article 6 markets. At the same time, a Party can choose whether or not to apply corresponding adjustments for mitigation outcomes issued under both PACM or independent crediting programmes.

There are some distinctions between PACM and independent crediting programmes from the perspective of a Party. Parties must provide explicit approval for a project to register under the PACM, whereas this is typically not required under the rules of most independent crediting programmes. If a Party wishes to have this approval power, it must establish this in domestic policy or law. Similarly, Parties have the ability to take more control of the design of PACM projects within their jurisdiction, including through setting baseline approaches and other methodological requirements, or determining the length of crediting periods and whether these can be renewed. Again, a Party may be able to assert these powers to projects registered with independent crediting programmes through domestic policy or law if it wished to.

THE ROLE OF CORSIA

With expected demand of between 0.9 – 1.7 billion credits between 2024-35, CORSIA is expected to be the largest source of demand under Article 6 of the Paris Agreement over the next five years.

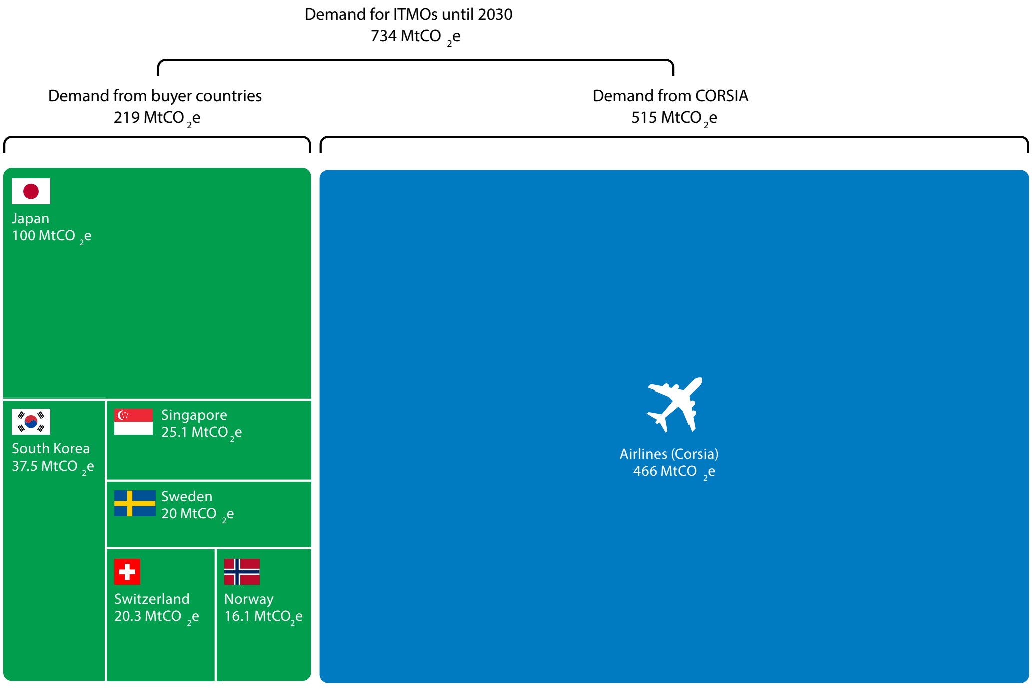


Figure 6 – Overview of expected demand for mitigation outcomes under Article 6 up to 2030 (Source: The Nature Conservancy, South Pole)

As set out above, CORSIA has established a strong reliance on both independent crediting programmes that have traditionally been used in the 'voluntary carbon market', and the Article 6 framework. ICAO has approved eight programmes to supply credits for use under its first phase (2024-26) – ACR, ART TREES, Climate Action Reserve, Gold Standard, Global Carbon Council, Isometric, the Thailand Premium T-VER Programme (the only national programme approved for this phase) and Verra. It has currently approved four of these to supply credits for the first period of its second phase (2027-29): ACR, ART TREES, Gold Standard and Verra.

In parallel to rules adopted under the UNFCCC, ICAO has also decided that only credits issued for mitigation outcomes generated in 2021 onward may be used towards its first or second phases (2024-26) and that for credits to be eligible, they must be subject to a corresponding adjustment by the project's host Party under Article 6. ICAO has also introduced strict safeguards to ensure the avoidance of double counting between CORSIA and host Party NDCs. If a host Party withdraws its commitment to apply a corresponding adjustment, ICAO expects approved crediting programmes to have procedures in place to ensure that any credits that have been used by airlines towards their CORSIA obligations are replaced. Programmes are typically fulfilling this through either insurance requirements or 'buffer pools' (a set-aside of a portion of credits that can be used in the event of a shortfall), in cases where a host Party has not yet applied its corresponding adjustment. This adds complexity and costs to project developers seeking to access the CORSIA market.

As ICAO States, Governments are already considering or implementing national regulations to enforce compliance with CORSIA, which becomes mandatory for most countries from its second phase, starting in 2027. At the same time, governments can consider providing Article 6 authorisations to enable credits generated within their jurisdiction to be used under CORSIA, as a complement to any bilateral agreements that the government may be party to. As of the start of 2026, CORSIA faces a significant supply-demand imbalance, with around 30 million credits fully eligible for CORSIA's first phase, and expected demand for between 146-246 million credits by the end of January 2028, the deadline for Phase 1 compliance. Increasing supply is important to the successful implementation of CORSIA and the ability for national airlines to comply, and can also provide opportunities for governments to mobilise investment and raise revenues through approval or authorisation fees.

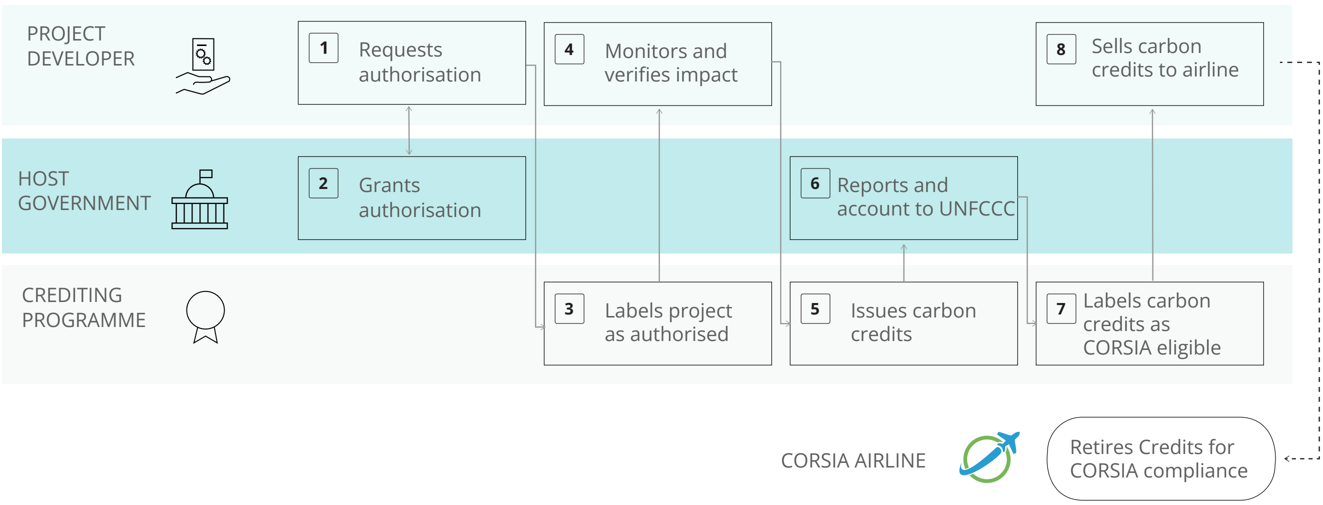


Figure 7 – Example workflow of a complete authorisation and retirement cycle for CORSIA-eligible carbon credits

CONCLUSION

The emerging carbon market under the Paris Agreement is defined not be distinct and compartmentalised voluntary and compliance sections; instead it is increasingly becoming one market, in which projects can supply different use cases. Independent crediting programmes that have to date primarily been used by companies seeking to meet voluntary climate targets are now eligible to supply units for CORSIA or domestic compliance markets, with some also being used by Parties to certify mitigation outcomes transferred under Article 6 to achieve their NDCs.

Governments in the Pacific Alliance are already working closely with independent crediting programmes, in a way that blurs the lines between voluntary and compliance markets. Both Chile and Colombia, for instance, have recognised certain programmes as eligible to supply credits under their domestic carbon taxes. This is one example of how governments can, and should, assess how best to use the new market context to achieve their near- and long-term climate goals, considering the full range of options available.

FURTHER READING

Article 6

— Article 6 Explainer. The Nature Conservancy (TNC), 2025.

— A6IP Capacity Building Tools: Article 6 Introductory Guide – Introduction. Article 6 Implementation Partnership (A6IP), 2025.

CORSIA

— CORSIA Fact Sheet. International Air Transport Association (IATA), 2025.

— CORSIA Eligible Emissions Units. ICAO, last updated 2025.

— CORSIA and Article 6: Unlocking the Demand Potential for Carbon Credits with Corresponding Adjustments in a Fragmented Market. Climate Action Center of Excellence (CACE) and HFW, 2025.

— CORSIA and Article 6: A Crucial Intersection in International Climate Policy. Climate Action Center of Excellence (CACE) and HFW, 2024.

— CORSIA First Phase Scenario Modelling. Sylvera, 2025

Article 6 and the VCM

— Linkages Between Article 6 of the Paris Agreement and Voluntary Carbon Markets: Nordic Perspectives and Points of Convergence. Nordic Initiative for Cooperative Approaches (NICA) and Carbon Limits, 2025.

— Article 6.2 Crediting Protocol. Gold Standard, Verra, National Climate Change Secretariat (Singapore), 2025.

— Using Crediting Programmes Under Article 6.2 - Factsheet. Gold Standard, 2025.