ARTICLE 6 SERIES

ESTABLISHING AN INSTITUTIONAL STRUCTURE TO IMPLEMENT ARTICLE 6.2 – AN INTRODUCTION

MARCH 2026

This project was undertaken with the financial support of:
Ce projet a été réalisé avec l'appui financier de:
Environment and Climate Change Canada
Environnement et Changement climatique Canada

CONTENTS

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

- Having the right institutional structures is an important part of Article 6 participation
- Governments must perform certain functions, with the institutional set-up clarifying who does what
- Granting approvals and authorisations, fulfilling reporting requirements, and managing digital infrastructure are among the core tasks for governments
- There is no one right institutional structure, although there are some common features across countries

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 should come in the form of Nationally Determined Contributions (NDCs), which include commitments to the reduction of greenhouse gas emissions. 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. Article 6, and more specifically Article 6.2, provides Parties with considerable flexibility to set up their own models for market-based cooperation, provided they meet certain participation requirements and fulfil reporting obligations.

In the period since the adoption of the Paris Agreement and its more detailed rulebook, governments across the world – including in the Pacific Alliance - have built readiness to participate in Article 6. This includes introducing new institutional arrangements. This paper provides an introduction to the establishment of institutional structures to implement Article 6.2, and the key considerations for governments intending to do so. It is primarily focused on governments seeking to host mitigation activities and transfer ITMOs under Article 6, though much of the paper may also be relevant for governments seeking to use ITMOs towards their NDC.

RESPONSIBILITIES UNDER ARTICLE 6.2

Article 6.2 of the Paris Agreement allows Parties to engage in 'cooperative approaches', under which mitigation outcomes (typically measured as reductions or removals of greenhouse gas emissions) achieved in one Party's jurisdiction can be transferred for use by another Party towards its NDC, or for use by another entity towards other purposes (for instance an airline for use under CORSIA, the Carbon Offsetting and Reduction Scheme for International Aviation, governed by the International Civil Aviation Organisation (ICAO)). This can support cost-efficient achievement of the Paris Agreement's temperature goals, by allowing greenhouse gas mitigation to take place where it is cheaper or otherwise more viable.

Article 6.2 is not prescriptive as to how mitigation outcomes must be generated, or even the metric (e.g. tonnes of carbon dioxide equivalent, tCO_2e) by which these are measured. However Parties cooperating under Article 6.2 must meet certain participation requirements and fulfil reporting responsibilities. These are summarised in Figure 1 below.

PARTICIPATION RESPONSIBILITIES

A government must

- Be a party to the Paris agreement
- Have prepared communicated and be maintaining an NDC
- Have arrangements in place for authorising ITMOs and tracking ITMOs through a registry
- Have prepared the most recent national inventory report
- Ensure its participation contributes to implementation of its NDC, long-term emissions development strategy and the long-term goals of the Paris Agreement

REPORTING REQUIREMENTS

The government must prepare and submit to the UNFCCC

- Authorisations under article 6.2
- An initial report for its first cooperative approach and an updated initial report for each further cooperative approach
- Annual information of the authorisation of ITMOs, and related information
- Regular information every two years as an annex to its biennial transparency report (BTR)
- A common tabular format as an annex to its BTR in which corresponding adjustments are applied

Figure 1 – Overview of key participation responsibilities and reporting requirements, defined primarily in Decision 2/CMA.3 adopted at COP26.

Decisions adopted under the UNFCCC also do not prescribe how a government using Article 6.2 needs to organise itself internally to manage its participation. However it is important that governments have comprehensive institutional structures in place for their use of Article 6.2. Doing so can help to ensure that the government achieves its defined strategic objectives, that it complies with participation and reporting responsibilities under Article 6.2 and that it provides a clear framework for private sector participants seeking to invest in or implement activities under Article 6 within the jurisdiction.

DEFINING GOVERNMENT INTERESTS

As set out in the following section, the establishment of institutional arrangements entails considerable work to establish legal foundation, governance arrangements and responsibilities, and to build or identify a registry.

Before embarking on this, it is important for a government to allocate time to reflect on its objectives through the use of Article 6, how this relates to its wider plans for achievement of its NDC and its longer-term climate and sustainable development objectives, and how it wants to use existing market standards and infrastructure. This is an important step, helping to ensure that institutional arrangements are put in place that can help deliver achievement of the government's objectives.

As part of this step, governments may want to consider, amongst other things:

1. **Activity prioritisation**: Are there particular types of activities that the government wishes to prioritise through its use of Article 6, to deliver its objectives? This should take into account the government's NDC and long-term emissions development strategy, ensuring Article 6 is used for activities that go beyond the country's unconditional NDC commitments. It may also consider the government's sustainable development plans, and activity types that can help to achieve priority targets for sustainable development.

2. **Cross-governmental interests**: Which sections of the government should be engaged in the implementation of Article 6, and in what capacity? Most governments will spread responsibility for NDC achievement across government ministries, with each ministry taking at least some responsibility for reducing emissions within its sector of responsibility. Article 6 implementation also creates revenues and requires diplomatic relations, which necessarily involves other ministries.

3. **Revenue generation**: Does the government consider revenue generation a key objective for its use of Article 6, and how is this best achieved? Article 6 implementation has the potential to generate revenue for a government, both through direct fees charged to companies seeking to implement Article 6 activities (e.g. approval and issuance fees) and indirectly through longer-term taxation of project activities and related employment. It also has the potential to introduce foreign currency into the jurisdiction (typically US Dollar or Euros) and improve its balance of payments, which may be important for certain countries.

4. **Market orientation**: To what extent does the government want to use existing market standards and infrastructure, rather than building its own? As Article 6.2 provides governments with flexibility, they have choices as to whether they want to use existing standards for the certification of mitigation outcomes, such as the Paris Agreement Crediting Mechanism (PACM) or independent programmes, such as Gold Standard and Verra. They can also choose whether to build and operate their own registry and whether to require assets to be held in this, or whether to work with registries operated by crediting programmes. These choices will affect the control a government

has over the design of its Article 6 cooperation, but also the ease by which the private sector will be able to invest in and implement projects within their jurisdiction.

5. **Focus for cooperation**: Does the government want to use Article 6.2 only to cooperate with other governments, or does it also want to authorise ITMOs for use by airlines under CORSIA or for other purposes? This decision will help to direct the government's foreign ministry in its engagement to secure bilateral agreements, and may affect how the government sets up its institutional arrangements, to ensure compatibility with the interests of ITMO buyers.

A government could choose to formalise their consideration of these and other issues as part of an Article 6 strategy, which could either be public or private.

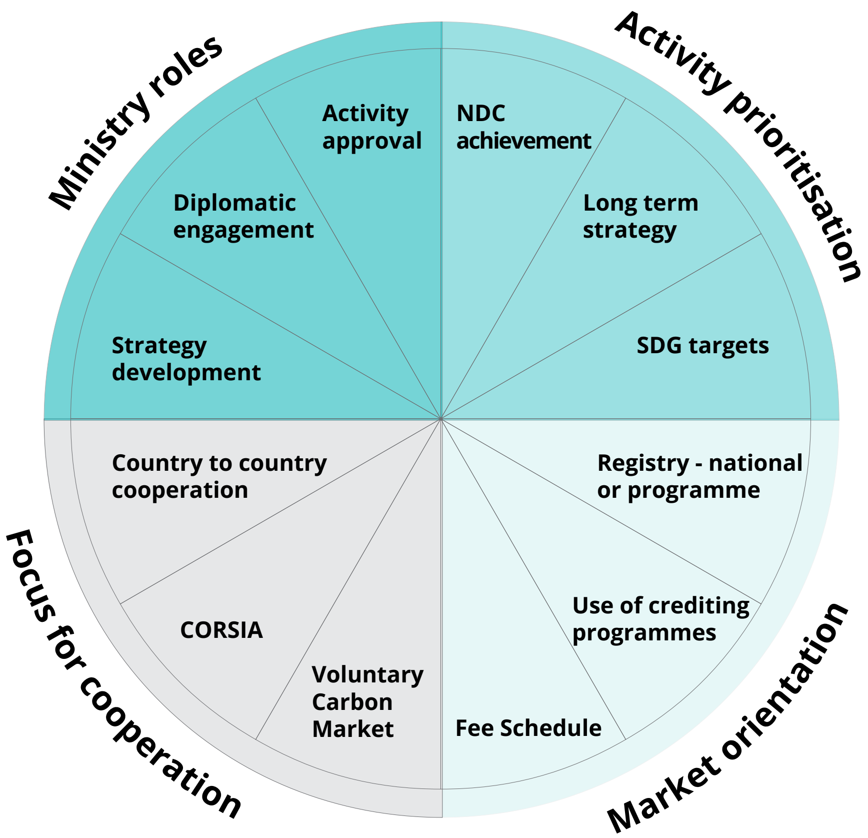

Figure 2 – Overview of some considerations for governments when developing their Article 6 strategy and the institutional arrangements to deliver this.

LEGAL AND POLICY BASIS

Governments will typically enshrine institutional arrangements, requirements, procedures and a fee basis for Article 6 within a legal framework. In many cases, this will form part of a wider regulation, for instance legislation for climate mitigation or the governance of all forms of carbon market activity.

Regulation will typically include the following key elements:

- **Responsibility for authorisation**: Formalisation of which individual or department holds responsibility to issue authorisations under Article 6.2, and to undertake related operational activities. Regulations are likely to establish a Designated National Authority (DNA) for approvals and authorisations for the PACM. They may also designate a committee of representatives across different ministries involved in or consulted on Article 6-related decisions.
- **Procedure and requirements for seeking authorisation**: Establishment of the process by which companies should apply for an authorisation under Article 6.2, the required documentation, and the different steps involved in this process. This may form one part of a wider process for projects seeking to operate in the government's jurisdiction, whether or not they are seeking authorisation under Article 6.2.
- **Mechanics of authorisation**: Formalisation of how authorisation will be implemented, including if this will occur in a multi-step process. For instance, a government may provide an initial approval for activities and participating entities but make final authorisation of ITMOs conditional on verification of greenhouse gas reductions or removals. Regulation may also specify any circumstances in which a government is permitted to withdraw a previously-issued authorisation.
- **Eligibility requirements**: Establishment of any eligibility requirements for entities seeking to develop projects authorised under Article 6, or for entities seeking to provide validation or verification services for projects. For the latter, this could include accreditation by the country's relevant national accreditation body. Regulation may also specify whether the government will consider authorisation of projects registered with independent crediting programmes, and any differences in how these are managed.
- **Designation of a registry**: Designation of a registry in which ITMOs will be tracked. This could be a national registry, the international registry to be established by the UNFCCC or another registry to which the government will have access. If designating a national registry, the regulation may also describe required functions of the registry and responsibility for its oversight.

— **Collection of revenues**: Provisions for when fees must be paid by entities engaged in the implementation of Article 6. The schedule of actual fees may be provided in separate documentation to allow for more frequent changes without amending the regulation itself.

Some governments choose to complement regulation with supporting policy documentation, which is typically easier to update over time. This could, for instance, provide a more detailed description of the procedures for seeking an authorisation under Article 6. It could also include a list of activity types that the government is willing to provide Article 6 authorisations for (a 'positive list') or alternatively a list of activity types that the government is not willing to authorise (a 'negative list').

INSTITUTIONAL ORGANISATION

Each government will make its own decision on the appropriate internal institutional organisation to manage Article 6 participation, based on its objectives, resources and ministerial structure. In some cases, considerable responsibility will be centralised within one division. In others, it will be divided between different divisions or entities, and may involve one or more committees. One example of institutional organisation for Article 6 implementation, in Ghana, is provided in Figure 3.

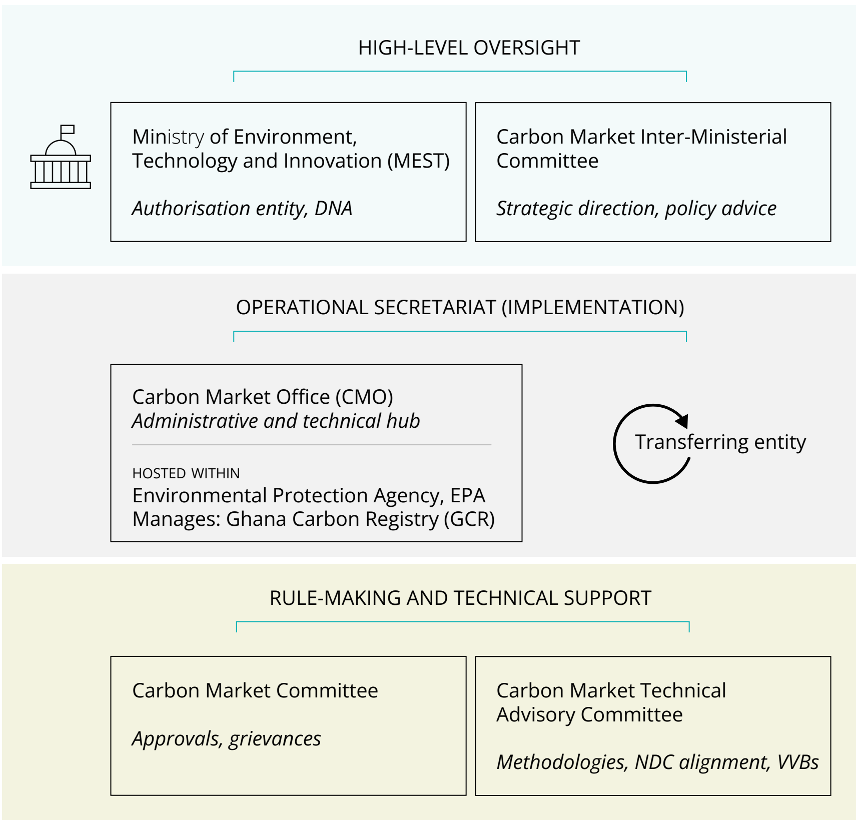

Figure 3 – Overview of institutional organisation for Article 6 implementation in Ghana (Source: Gold Standard, adapted from Neyen)

As is reflected in Figure 3, most institutional arrangements will include the following components. These may be established as new committees or bodies, or responsibilities may be given to existing ones:

- **Inter-ministerial committee**: A cross-government committee to support strategic decisions on Article 6 implementation, to monitor progress and to ensure and coordinate delivery by different parts of the government (e.g., negotiation and management of bilateral agreements with other countries). This coordination could also be done under existing inter-ministerial committees.

- **Carbon market authority**: A body responsible for managing Article 6-related strategy, policy and regulation and for either making or recommending decisions on authorisations. This body may also lead or be closely involved in international and stakeholder engagement on Article 6 matters.

- **Carbon market operative office**: A body responsible for the day-to-day operation of Article 6 implementation. This includes the processing and reviewing of requests for authorisation, maintenance of the national registry and preparation of reporting to the UNFCCC. These functions could – and often are – embedded within the same body as described above (the 'carbon market authority').

- **Technical committee or roster of experts**: An advisory committee of governmental and non-governmental experts responsible for technical advice and reviews related to Article 6 implementation. This committee could for instance advise on criteria for authorisation, review project documentation and assess methodologies.

Article 6 is a technical area. It is therefore important that governments ensure officials within these bodies or committees have the necessary technical understanding to be able to perform their required functions. This could require access to technical assistance from the UNFCCC, development institutions or other partners. Some development institutions, for instance the Global Green Growth Institute (GGGI), may also have the ability to support secondments or the temporary allocation of staff to a government office, which can support the strengthening of institutional capacity.

INFRASTRUCTURE

To participate in Article 6.2, a government must have access to a registry that can be used for the purpose of tracking ITMOs that they have authorised. This could be a national registry, the international registry under development by the UNFCCC or another registry to which the government has access.

Article 6.2 establishes fairly limited requirements for the registry system used by governments as part of their implementation of Article 6. These primarily exist in Decisions adopted at COP 26 (Decision 2/CMA.3, Section IV) and COP 27 (Decision 6/CMA.4, Section I), which specify the information that registries must be able to record and track, as well as several other functions and requirements. Registries are not required to be interoperable (i.e., to have the ability to connect to other registries or digital platforms) but where they are, appropriate standards must be in place to ensure the consistency of data.

In practice, governments are able to meet these requirements through a variety of options, without making a large upfront and ongoing financial commitment to establishing and maintaining a national registry akin to registries managed by crediting programmes. This includes use of the international registry to be established by the UNFCCC, adoption of an open-source registry code (such as that developed by UNDP), reliance on registries operated by crediting programmes to perform more complex functions related to units, or development of a simpler national platform. It is understood that at least one government participating in Article 6 intends to start with a system built on a commercial file-sharing platform.

Governments should give careful consideration to the infrastructure that they use for their implementation of Article 6. Registries, like any digital platform, can be expensive both to establish and to maintain. Especially in the early years of a government's use of Article 6, governments should assess whether the costs of this investment are justified, considering the revenue they are generating from Article 6 at that time and the other options available to them.

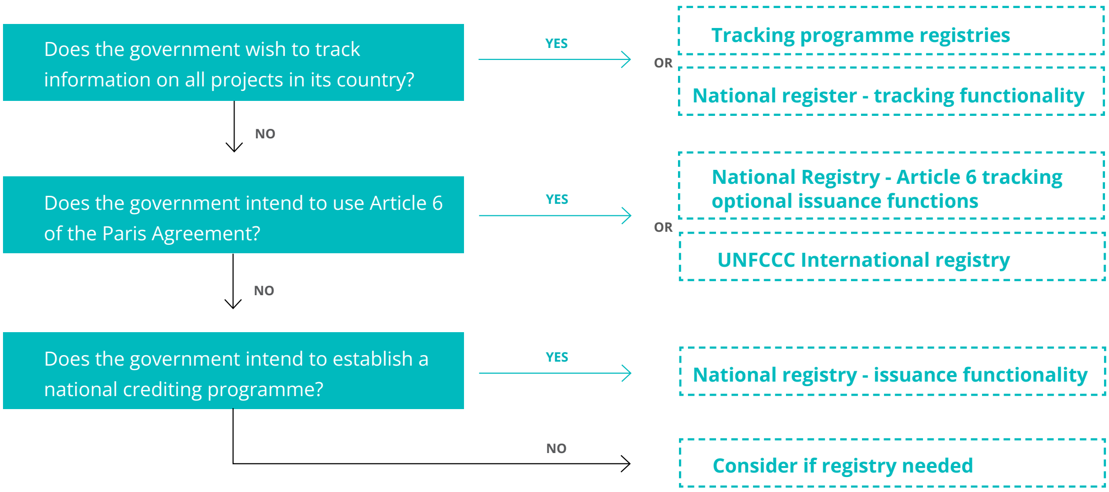

Figure 4 – Decision tree for governments engaged in carbon markets, in relation to registries (Source: Gold Standard, 2025)

CONCLUSION

The Paris Agreement's rulebook is not prescriptive in how governments organise themselves for their use of Article 6. This provides discretion for a government to think carefully about the best institutional arrangements for their own circumstances, taking into account compliance with Article 6 requirements, existing ministerial responsibilities and dynamics, and their objectives through Article 6. It is also important for governments to consider the needs and expectations of the private sector. Entities developing or investing in carbon market activities are likely to be attracted by institutional arrangements that are clear, reliable and efficient, with fees at reasonable levels.

There is already good practice globally that governments can look to when preparing to introduce institutional arrangements. The number of Article 6 regulations in place globally is growing, as are the different examples of how governments are arranging themselves internally to implement Article 6. While each country has its own national circumstances, resources and objectives, many elements will be the same or similar in how Article 6 is implemented and governments can speed up their own processes by learning the lessons of others.

FURTHER READING

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

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

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

— Host Country Article 6 Readiness: Key Aspects to Drive Demand. Sylvera and Climate Action Center of Excellence (CACE), 2025.

— A blueprint for engaging in cooperative approaches under Article 6 of the Paris Agreement. Gold Standard, 2023.

— Article 6 Governance Frameworks in Action: A Collection of Case Studies from 6 Host Countries. Global Green Growth Institute (GGGI), 2025

— Developing an Article 6 Host Party Strategy (SPAR6C Guide 2). Global Green Growth Institute (GGGI), 2023.

— Carbon Markets Access Toolkit: Considerations for host countries. Voluntary Carbon Market Integrity Initiative (VCMI), 2025.

— Article 6 Implementation Checklist Tool for Host Countries (excel file). GIZ & Climate Focus, 2025

— Article 6 Capacity Building (webpage). UNFCCC, 2024.

Gold Standard®

help@goldstandard.org www.goldstandard.org