

Article 6 Guidance Report



Initiative for Climate Action Transparency - ICAT

Article 6 Guidance Report

Deliverable #01

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List of Abbreviations

Abbreviation	Full Form
A6.2	Article 6.2 of the Paris Agreement
A6.4	Article 6.4 of the Paris Agreement
BAU	Business-as-usual
BTR	Biennial Transparency Report
CA	Corresponding Adjustments
CCA	Climate Change Act
CCC	Climate Change Committee
CCP	Core Carbon Principles
CDM	Clean Development Mechanism
CERs	Certified Emission Reductions
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CO₂	Carbon Dioxide
CPIs	Carbon pricing instrument
DCC	Director of the Department of Climate Change
DNA	Designated National Authority
DOE	Designated Operational Entity
ETF	Enhanced Transparency Framework
GHG	Global Greenhouse Gas
ICVCM	Integrity Council for the Voluntary Carbon Market
ITMOs	Internationally Transferred Mitigation Outcomes
LDCs	Least-Developed Countries
LTS	Long-Term Strategy
MACC	Marginal Abatement Cost Curve
MauNDC	Mauritius NDC Registry
MCUs	Mitigation Contributions Units
MO	Mitigation Outcome
MOESWCC	Ministry of Environment, Solid Waste Management, and Climate Change
MOPAs	Mitigation Outcome Purchase Agreements
MRV	Measurement, Reporting, and Verification
MUR	Mauritian Rupee
NDCs	Nationally Determined Contributions
OMGE	Overall Mitigation of Global Emissions
PACM	Paris Agreement Crediting Mechanism

QC	Quality Control
RCCC	Rodrigues Climate Change Committee
RE	Renewable Energy
RoM	Republic of Mauritius
SC	Steering Committee
SD	Sustainable Development
SDGs	Sustainable Development Goals
SIDS	Small Island Developing State
SoP	Share of Proceeds
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market

Executive Summary

This guidance report on Article 6 provides a comprehensive road map for the Republic of Mauritius (RoM) to effectively participate in market mechanisms under Article 6 of the Paris Agreement. The document provides a clear outline of the necessary steps and procedures for Article 6 market mechanisms, the roles and responsibilities of the stakeholders involved, the associated risks and their management strategies, and capacity building as well as the possible approach that the Republic of Mauritius can undertake for effective registry management under Article 6.

Chapter 1 of the document provides an introduction and context for this guidance document, followed by *Chapter 2*, which gives insight into the required institutional and policy framework as well as the proposed institutional arrangement for Mauritius. *Chapter 3* of this document offers a comprehensive outlook into the operational framework, including the key steps and procedures for participation in Article 6. This is followed by *Chapter 4* that deals with registry management and the alignment of Article 6 registry with the existing MauNDC registry. The document ends with capacity building and support recommendations (*Chapter 5*).

By providing a detailed and structured approach, this guidance is intended to assist the Republic of Mauritius maximize the use of mechanisms under Article 6 to not only achieve its NDC commitments but also contribute towards the global reduction of Greenhouse Gas (GHG) emissions.

Chapter 1: Introduction and Context

1.1 Purpose and objectives of the guidance

The Republic of Mauritius (RoM), located in the Southwestern part of the Indian Ocean primarily consists of 2 main islands: the Island of Mauritius and the Island of Rodrigues. Over the years, RoM has achieved remarkable growth in its economy and is now one of the **highest per capita incomes in Africa**.¹ The Republic of Mauritius, despite being a **Small Island Developing State (SIDS)**, has an ambition to reduce overall GHG emissions by **40% in 2030** compared to the Business as Usual (BAU) scenario of around **6,900 ktCO₂eq (including LULUCF) in 2030**.²

Mauritius, being highly susceptible to the adverse impacts of climate change, is continuing to experience air temperature rise by up to **1.39°Celsius** and a sea level rise at the rate of **5.6mm** annually. This increase in sea level further impacts the beaches which play a significant role in supporting the **country's tourism-driven economy**. It has further been reported that erosion alone has been responsible for **reducing beach width by up to 20 meters** over the last 10 years. As per the Mauritius Sector Strategy Plan 2018-2021 on Tourism, it is estimated that over the next five decades, **half of the beaches will be lost** to the point of supporting no visitors. If no action is taken, the corresponding loss of tourism to beaches will be responsible for an annual loss of over **US\$100 million by 2060**.³ It has also been projected that decreased rainfall and increased evapotranspiration may further decline agricultural production by **~15% to ~25% by 2050**.⁴ According to the World Risk Report 2023, Mauritius was ranked **106th out of 193 countries** most vulnerable to climate disaster risk.⁵

Despite such challenges, RoM has consistently been at the forefront of climate action, evidenced by activities such as the regular updating of its **Nationally Determined Contribution (NDCs)** and early release of the **country's First Biennial Transparency Report (BTR1)** in 2024 despite the flexibility to report at its own pace.

As a **committed party to the Paris Agreement**, Mauritius, in its BTR has clearly expressed an interest in developing policies and regulations for a co-operative approach under **Article 6 of the Paris Agreement** particularly to access possible funding opportunities available via **Article 6.2 and Article 6.4**. As per the United Nations Framework Convention on Climate Change (UNFCCC), *'Article 6 of the Paris Agreement recognizes that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.'*⁶

Purpose of this guidance document: This guidance document provides a comprehensive outlook of the essential steps involved in formulating a comprehensive framework document for participation in market mechanisms under Article 6 of the Paris Agreement. The document offers a clear outline of the necessary steps for each market mechanism, the roles and responsibilities of the stakeholders involved and the associated risk management strategies to ensure a smooth implementation.

Objective of this guidance: The objective of this guidance document is to assist the RoM in effectively

¹ https://unfccc.int/sites/default/files/resource/BTR1_Mauritius_Final%202.pdf

² <https://afri-res.uneca.org/country-profile/mu/mauritius>

³ https://www.cscp.org/wp-content/uploads/2022/12/SIM_Policy_Recommendation.pdf

⁴ <https://www.ohchr.org/sites/default/files/2022-03/mauritius.docx>

⁵ https://www.bom.mu/sites/default/files/how_mauritius_is_mobilising_climate_finance_omfif_spi_journal_article_nov_2023.pdf

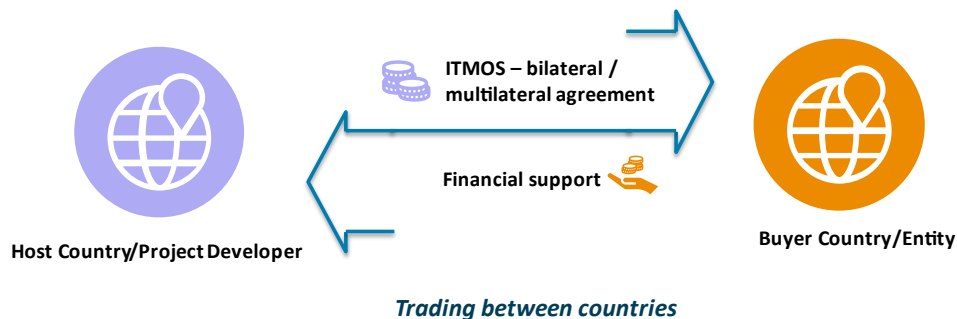
⁶ <https://unfccc.int/process/the-paris-agreement/cooperative-implementation>

participating in the Article 6 frameworks and therefore assist the country to achieve its NDCs as well as contribute to global climate action.

1.2 Overview of Article 6

Article 6 of the Paris Agreement broadly deals with voluntary cooperation among countries to achieve their NDCs by trading carbon credits. It encompasses both **market** and **non-market** mechanisms to accelerate climate actions.

- Article 6.2:** Under this mechanism, countries can trade Article 6 units also known as **Internationally Transferred Mitigation Outcomes (ITMOs)** bilaterally or multilaterally and report the trade and use towards their NDCs. However, to prevent **double counting** of emission reductions, a **corresponding adjustment** is applied whenever there is a transfer of ITMOs, thereby risking an increase in cost implications for the host country in achieving its NDC targets. Further details on double counting and corresponding adjustments are provided in [Chapter 2.3](#) and [Chapter 3.3](#) respectively.



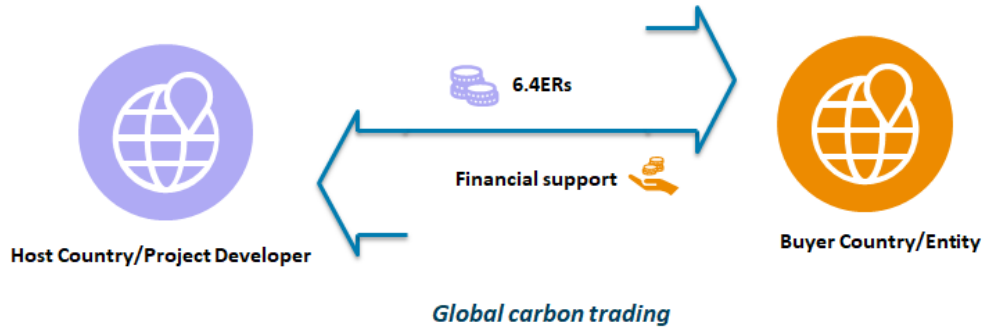
- Article 6.4:** Under Article 6.4, a centralized UN carbon-crediting program called the **Paris Agreement Crediting Mechanism (PACM)**, is set to replace the Kyoto Protocol **Clean Development Mechanism (CDM)**. Still under development, the PACM will operate in way similar to the Clean Development Mechanism (CDM). A supervising body, '**Article 6.4 Supervisory Body**' will be responsible for approving methodologies, registering projects, managing the registry, etc. Emission reductions generated under Article 6.4 are known as **A6.4ERs**. Notably, during COP29 in 2024, clear methodologies for verifying emissions removals and assessing projects were finalized.



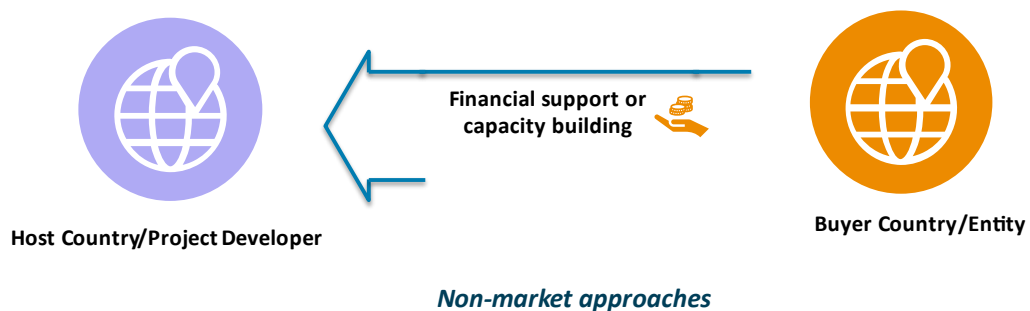
There are **two categories of A6.4 credits** that will be issued under the mechanism of Article 6.4 - **authorised credits** that requires a corresponding adjustment, and **mitigation contribution units** that does not require corresponding adjustment. (Further explained in Chapter 3.3).

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⁷ https://unfccc.int/sites/default/files/resource/Webinar%20II_2023-08-23_Overview%20of%20Article%206.4.pdf



- **Article 6.8:** Focusing on **non-market approach**, Article 6.8 provides opportunities for co-operation among countries through financial assistance, technology & knowledge transfer and capacity building towards the achievement of the host party NDC. There is no transfer of emission reduction units involved in this approach.



1.3 Lessons from CDM and key differences with Article 6.4 (PACM)

The Clean Development Mechanism (CDM), under the Kyoto Protocol, has been the largest crediting mechanisms so far. As of February 2025, approximately **2.45 billion Certified Emission Reductions (CERs)** were issued, with 2.38 billion from Project Activities (PA) and 74 million from Programs of Activities (PoA).⁸ Initially, the CDM proved to be a successful mechanism. However, 5 years after its launch, the CDM witnessed a failure in 2012 with credit price falling to a mere **€0.5 (\$0.52) per tonne of CO₂**.⁹ Several factors were identified as contributors to the diminished effectiveness of the CDM including minimal contributions to sustainability, deviation from its core principle of additionality, unequal geographical distribution of CDM projects, etc.¹⁰. These issues therefore highlighted the need for improvements in carbon market mechanisms. Some of the key lessons are described below:

- **Strengthen and elaborate on the criteria of assessment of additionality** since it was found that a significant number of CDM projects were likely not additional.¹¹
- **Inclusion of safeguards for environmental and social impacts** since such rules did not exist in CDM.¹²
- **The length of the crediting period should be set carefully** to prevent credit issuance from projects that can no longer be considered additional.¹³

⁸ https://cdm.unfccc.int/Issuance/cers_iss.html

⁹ <https://cepr.org/voxeu/columns/collapse-clean-development-mechanism-scheme-under-kyoto-protocol-and-its-spillover>

¹⁰ https://www.researchgate.net/publication/361840363_Clean_Development_Mechanism_Achievements_Challenges_and_Moving_Beyond_2020

¹¹ <https://unfccc.int/sites/default/files/348.pdf>

¹² <https://unepccc.org/wp-content/uploads/2020/11/2-cdm-vs-64-carbon-pavilion.pdf>

¹³ <https://unfccc.int/sites/default/files/348.pdf>

- **Offering greater opportunities to underrepresented countries and sectors** since CDM has been significantly criticized for the unequal geographical distribution of projects, and this has further led to an argument over the fair allocation of resources and benefits.¹⁴
- **Offering opportunities to stakeholders to engage** since the CDM mechanism showcased a lack of community involvement in CDM projects.^{15,16}

Key Differences Between CDM and Article 6.4 (PACM)

While CDM and the 'PACM' under Article 6.4 of the Paris Agreement are based on a common purpose, Article 6.4 is the development of CDM that increases effectiveness, transparency, and equity at its core. Some differences between CDM and Article 6.4 are summarized in the following table.

Table 1: Key differences between CDM and Article 6.4 (PACM)

Clean Development Mechanism (CDM)	Paris Agreement Crediting Mechanism (PACM)
Developing countries participated in the international carbon market as hosts for CDM projects	All Parties can participate as sellers or buyers of Mitigation Outcomes
No binding targets – countries could sell emission reductions internationally without accounting for double counting	Countries need to consider corresponding adjustment when transferring ITMOs
Share of Proceeds (SoP) adaptation: 2% of CERs	Share of Proceeds (SoP) adaptation: 5% of A6.4ERs
Share of Overall Mitigation of Global Emissions (OMGE): None	Share of Overall Mitigation of Global Emissions (OMGE): 2% of A6.4ERs
Crediting period: 10 years fixed or 3x7 years	Crediting period: Maximum 10 years fixed or 3 x 5 years maximum (Can be specified by host Party)
CDM registry to track and record CERs	Article 6.4 registry to manage carbon credits

Note: The Republic of Mauritius, being a Small Island Developing State (SIDS), is **no longer liable to pay the SOP** to reduce the financial burden on LDCs and SIDS.¹⁷

¹⁴ https://www.i4ce.org/wp-content/uploads/12-10-Climate-Report-37-10-lessons-from-10-years-of-CDM_CDC-Climat-Research_HQ.pdf

¹⁵ <https://www.sciencedirect.com/science/article/abs/pii/S0305750X18303917>

¹⁶ <https://unepccc.org/wp-content/uploads/2020/11/2-cdm-vs-64-carbon-pavilion.pdf>

¹⁷ https://unfccc.int/sites/default/files/resource/COP29%20outcomes_A6.2_6.4_6.8.pdf

Chapter 2: Institutional and Policy Framework

2.1 Institutional framework for Article 6 implementation

Institutional arrangement of Article 6 shall be established at different levels:

- **Cabinet** for coordination and decision-making.
- **Ministerial** for developing rules and overseeing.
- **Departmental** to cover the implementation - mainly administrative function - required.

A well-integrated inter-institutional framework is therefore essential to facilitate smooth coordination among the Mauritian stakeholders thereby ensuring a smooth implementation.

Current Institutional Framework of Mauritius

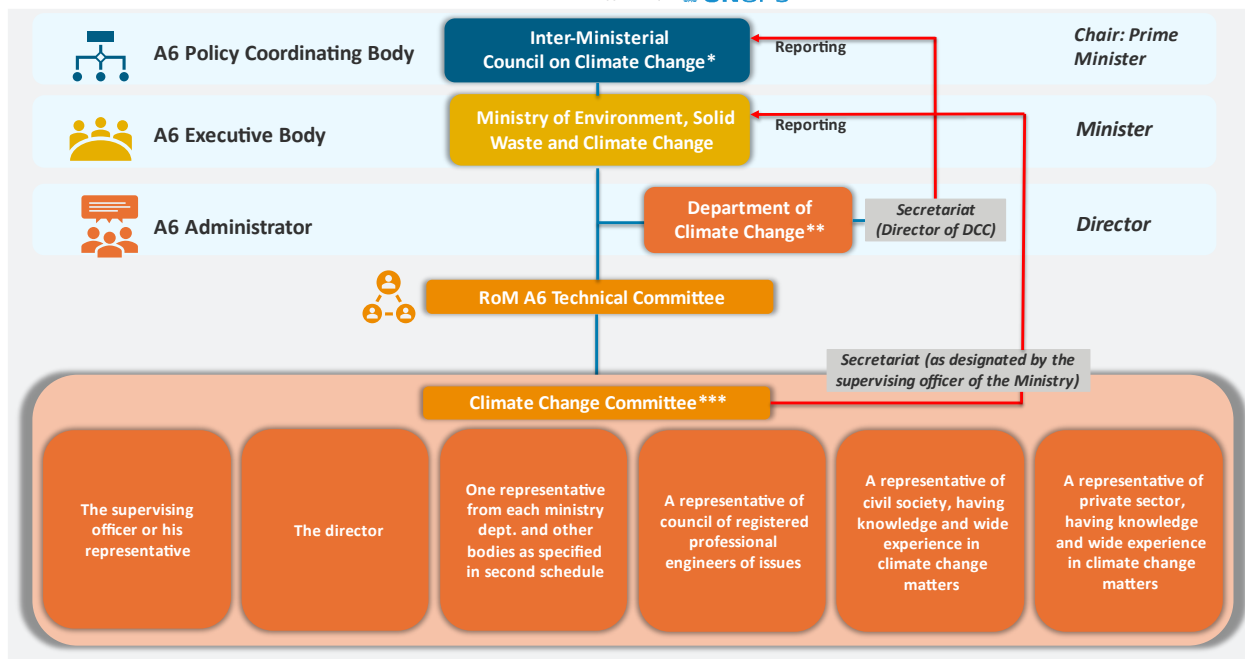
Under the existing governance framework in Mauritius, the **Climate Change Act (CCA)** provides the foundation for institutional arrangements related to climate governance. The **Inter-Ministerial Council on Climate Change**, established as the apex body, is responsible for setting national objectives, goals, and targets, determining climate change adaptation and mitigation policies, and monitoring progress on climate-related projects and programs across public institutions. The **Department of Climate Change (DCC)** established under the **Ministry of Environment, Solid Waste Management, and Climate Change (MOESWCC)** is responsible for the coordination of relevant commitments and ensuring compliance with regard to international climate change agreements.

Additionally, the **Climate Change Committee (CCC)**, chaired by the Supervising Officer, has been established to enable multiple stakeholders to participate in developing national climate change strategies and action plans for mitigation and adaptation. The **Rodrigues Climate Change Committee (RCCC)**, also proposed under the **CCA**, is headed by the **Commissioner** (*who is assigned with the responsibility for the subject of the environment in Rodrigues*).*

**Note: Since Rodrigues does not have an ownership over the NDC as well as does not have a GHG inventory of its own, the Commissioner and RCCC can be consulted with respect to activities carried in Rodrigues under Article 6. The Commissioner can propose activities to CCC to be implemented under Article 6. DCC to suggest.*

Proposed Institutional Framework for RoM

In reference to the Climate Change Act 2020, the figure below thus highlights the main bodies that could facilitate the Article 6 implementation for RoM.



*As per Climate Change Act 2020 7(1)(d), 'may appoint such technical advisory committees, greenhouse gas inventory committees and such other committees as may be necessary to assist the Council in the discharge of its functions'
 **As per Climate Change Act 2020 16(1)(b)(v), 'establish a unit with adequate staff and financial resources, or a point an officer, to coordinate implementation of climate change measures'
 ***As per Climate Change Act 2020 12(4)(a), 'the Climate Change Committee may set up such subcommittees as may be necessary'

Figure 1: The proposed Republic of Mauritius institutional arrangement for the implementation of Article 6

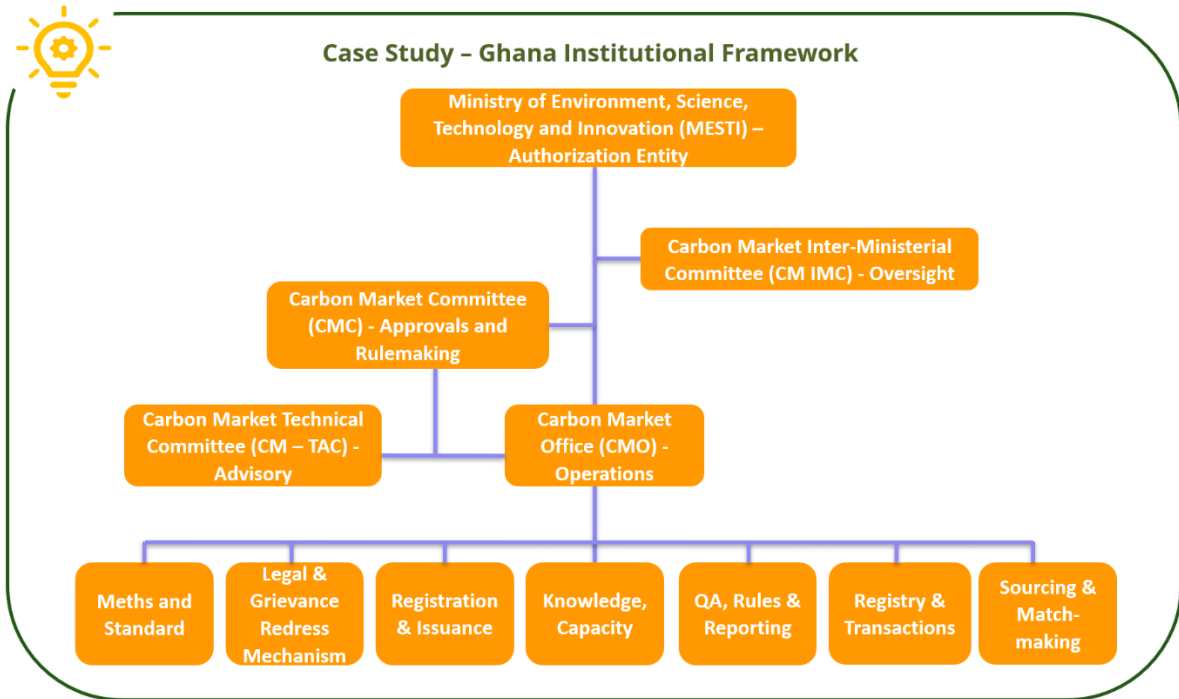
The **Inter-Ministerial Council on Climate Change** could serve as the **policy coordination body** – a high-level decision-making body responsible for designing and overseeing the engagement in Article 6 mechanisms. As per the Climate Change Act 2020, Clause 7 (1)(d), the Inter-Ministerial Council may further appoint a technical advisory committee, a GHG inventory committee or any other such committee to assist the council in its Article 6 functions.¹⁸ In alignment with the previous statement, a Steering Committee (SC) can be established to provide overall strategic direction for the implementation of Article 6 with representatives from various ministries including (but not limited to) Ministry of Environment, Ministry of Finance, Ministry of Foreign Affairs, Private Sector Representative and Technical Advisor.

The **Ministry of Environment, Solid Waste and Climate Change (MOESWCC)** could serve as the **executive body** responsible for developing and approving rules based on the overall regulatory environment and mandate. The **Department of Climate Change (DCC)** under MOESWCC could function as the **Article 6 Administrator**, overseeing the implementation of rules and guidance on a day-to-day basis. The DCC will also act as the **Designated National Authority or DNA**. As per Clause 6(2), the Director of DCC shall act as Secretary to the Inter-Ministerial Council on Climate Change. Further, as per the Climate Change Act 2020, Clause 16(1)(b)(v), a coordination unit or an officer can be further appointed by the Director for administrative purposes.¹⁹ A **Registry Unit** responsible for maintaining records of ITMO transactions, tracking emissions reductions, and ensuring transparency in credit issuance and transfers could also be established. Mauritius currently has an existing **GHG tracking registry**, the **MauNDC Registry**, which was launched on 23 November 2023.

For effective implementation, **Article 6 Technical Committee could incorporate the Climate Change Committee (CCC)**. As per Clause 12(5)(a), the Supervising Officer of the Ministry shall

¹⁸ <https://faolex.fao.org/docs/pdf/mat204415.pdf>
¹⁹ <https://faolex.fao.org/docs/pdf/mat204415.pdf>

designate a Public Officer of the Ministry to act as Secretary to the CCC. Additionally, as per Clause 12 (4)(a), the Climate Change Committee may further allow for the establishment of subcommittees as necessary.²⁰



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²⁰ <https://faolex.fao.org/docs/pdf/mat204415.pdf>

²¹ https://cmo.epa.gov.gh/wp-content/uploads/2022/12/Ghana-Carbon-Market-Framework-For-Public-Release_15122022.pdf



2.2 Stakeholder roles and responsibilities

The governance functions of the above-identified stakeholders are listed in Table 2, with each function mapped against the identified stakeholder body/institution.²² The cells are color-coded as follows:

Green - function should be undertaken by the institution.

Yellow - the institution could handle the function.

Red - the institution should not perform the function.

Table 2: Governance functions for Article 6 are mapped against key stakeholders in RoM

Functions	A6 Policy Coordinating Body: <i>Inter-Ministerial Council on Climate Change</i>	A6 Executive Body: <i>Ministry of Environment, Solid Waste and Climate Change</i>	A6 Administrator: <i>Department of Climate Change (DNA)</i>	A6 Technical Committee: <i>Climate Change Committee</i>
Policy coordination and oversight <ul style="list-style-type: none"> ✓ Agree on the overall scope of A6 engagement: sectors, technologies, project types, methodologies, etc. ✓ Agree on the use of elements of international crediting programs or recognition of any existing crediting programs/independent standards. ✓ Agree on the allocation of all other functions to relevant institutions 				
Guidance and oversight <ul style="list-style-type: none"> ✓ Providing guidance on policy while ensuring the integration of climate goals with Mauritius' national development ✓ Engage stakeholders in reviewing operational rules and methodology for ITMOs 				

²² <https://documents1.worldbank.org/curated/en/769021617687870613/pdf/Country-Processes-and-Institutional-Arrangements-for-Article-6-Transactions.pdf>



Functions	A6 Policy Coordinating Body: <i>Inter-Ministerial Council on Climate Change</i>	A6 Executive Body: <i>Ministry of Environment, Solid Waste and Climate Change</i>	A6 Administrator: <i>Department of Climate Change (DNA)</i>	A6 Technical Committee: <i>Climate Change Committee</i>
<ul style="list-style-type: none"> ✓ Submit ITMO transactions and progress reports to the UNFCCC under the enhanced transparency framework ✓ Establish frameworks and agreements for non-market cooperation, including capacity-building initiatives under Article 6.8 ✓ Approve accreditation rules for third-party auditors ✓ Approve NDC-related parameters to be used in emission reduction calculations ✓ Guide and oversee A6 program implementation ✓ Review implementation decisions, if appropriate ✓ Address grievances and appeals (e.g., by project proponents, civil society, etc.) 				
<p>Technical advisory</p> <ul style="list-style-type: none"> ✓ Review international methodologies, technical guidelines, default factors, etc. for use within the country ✓ Oversee the development of new methodologies, technical guidelines, default factors, etc., where this work was undertaken by third parties ✓ Develop new (top-down) methodologies, technical guidelines, default factors, etc. ✓ Provide analysis of the impact of potential projects/transfers on NDC compliance 				



Functions	A6 Policy Coordinating Body: <i>Inter-Ministerial Council on Climate Change</i>	A6 Executive Body: <i>Ministry of Environment, Solid Waste and Climate Change</i>	A6 Administrator: <i>Department of Climate Change (DNA)</i>	A6 Technical Committee: <i>Climate Change Committee</i>
<p>Implementation</p> <ul style="list-style-type: none"> ✓ Develop and implement national MRV guidelines aligned with the latest COP standards - ensure compliance with the latest COP guidelines ✓ Establishing national carbon market standards ✓ Accredite auditors to carry out validation and verification ✓ Approve projects and project entities to generate MOs for A6 (conducting completeness checks, etc.) ✓ Review and register eligible projects and their crediting period ✓ Certify and issue emission reduction units ✓ Authorize units to transfer for A6 ✓ Execute transfer of A6 units ✓ Approve and implement converting A6 units to domestic units and vice versa ✓ Maintain a registry of projects and emission reductions (including links with international registries where required) ✓ Implement corresponding adjustments. ✓ Report on projects, MOs and transfers in the BTR ✓ Ensure non-market approaches under Article 6.8 align with national sustainable development and climate action plans of Mauritius 				



Additional stakeholder roles and responsibilities

Private Sector and Project Developers: Implementation of A6 projects, adherence to standards, and engagement with market mechanisms, collection and tracking of emission reduction data

Independent Auditors and Verifiers: Verification of emission reductions and issuance of A6 carbon credits through third-party audits

Stakeholder Engagement Platform: Facilitating consultations and dialogue among civil society, local communities, and other stakeholders to ensure inclusive decision-making



Case Study – Ghana Stakeholder Roles and Responsibilities

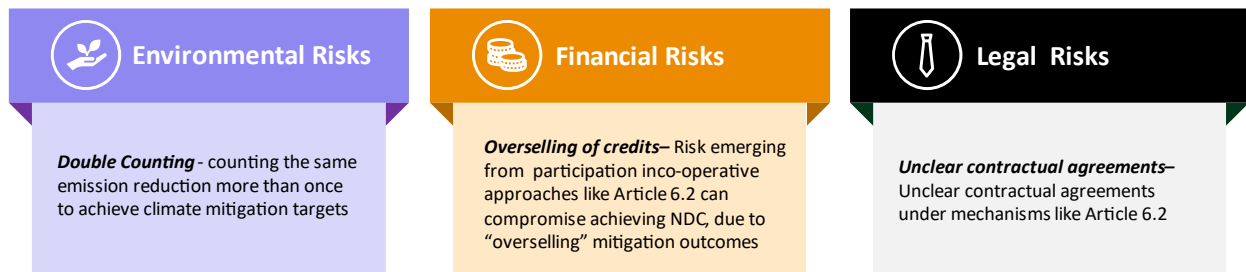


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²³ <https://www.goldstandard.org/carbon-market-regulations-tracker>

2.3 Risks

While the Article 6 mechanism holds great potential and capability to help nations fulfil their NDC goals as well as reduce global emissions, the mechanism also entails certain risks that needs to be taken into consideration by RoM in order to ensure **environmental integrity and effectiveness**. The risks can be broadly divided into 3 separate categories of **Environmental Risks, Financial Risks, and Legal Risks** - as shown in the picture below.



Taking proactive actions against these risks can help ensure continued trust among all stakeholders; uphold environmental integrity and foster robust international cooperation. Further risk-handling measures are further discussed in [Chapter 3.3](#).

2.4 Alignment with Mauritius updated (2021) NDCs

Mauritius' updated 2021 NDCs aim to reduce GHG emissions by **40% in 2030** compared to a business-as-usual (BAU) scenario. A major thrust in increasing energy production from green sources has also been targeted by the country which focuses on a transition towards 60% renewable energy production by 2030, thereby ending the use of coal and building up energy efficiency.²⁴ However, the accomplishment of these NDC goals is highly dependent on bridging the financing gap - it is anticipated that **65% of the US\$ 6.5 billion** required will come from international sources and donor agencies.²⁵

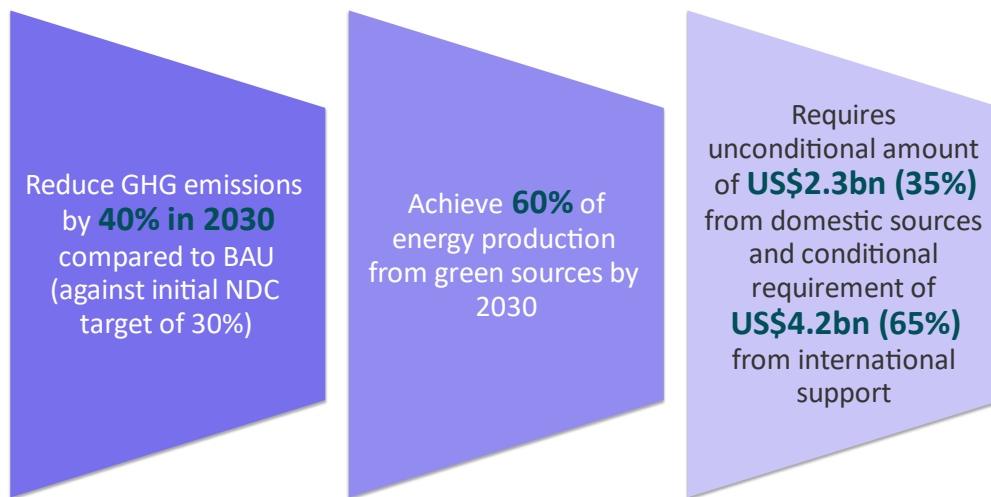


Figure 2: Key highlights from the updated Mauritius NDCs

There is therefore a great opportunity for Mauritius to leverage the use of Article 6, particularly **Article 6.2**, which enables international cooperation through the transfer of **ITMOs**. By strategically aligning the NDC targets with Article 6 mechanisms, Mauritius can benefit from international financing support to its conditional commitments. Mauritius's recently published BTR in 2024, further reiterates this strategic setting as it focuses on leveraging and mobilization of international finance via Article 6.2 and Article 6.4 for NDC projects.²⁶ Additionally, a list of selected projects or a **"positive list"** - carefully shortlisted to mitigate risks - will better enable Mauritius to attract and secure funding. An **indicative "positive list"** for Mauritius with **7 distinct activities** has been developed (Table 3) based on incorporations from the Long-Term Energy Strategy (LTS) document 2009-2025 while aligning with the updated NDC targets.



Positive List: Activities with acceptable risk that can be a part of Article 6
Negative List: List of projects/activities with high potential risks, (e.g., double counting) and cannot be part of Article 6

²⁴ <https://climatepromise.undp.org/what-we-do/where-we-work/mauritius>

²⁵ <https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Updated%20NDC%20for%20the%20Republic%20of%20Mauritius%2001%20October%202021.docx>

²⁶ https://unfccc.int/sites/default/files/resource/BTR1_Mauritius_Final%202.pdf

Table 3: An indicative positive list for Mauritius: Aligned with Long-Term Strategy document, and updated NDC targets

Sl. No.	Indicative Positive List for RoM	Alignment with Long-Term Energy Strategy (LTS)	Countries with similar activity in its positive list
1.	Ocean thermal energy	Clause 7.10.2: "As regards the Ocean Thermal Energy Conversion (OTEC) technology, it has not yet been commercialised and the Government's strategy will depend on its adoption by other countries in the medium to long term."	India – Ocean thermal energy
2.	Renewable Energy (RE) Technologies : Solar photovoltaic mini-grids	LTS Document – Clause 7.3.1 "Mauritius is situated in the tropics and as such benefits from more than 2900 hours of sunlight per year. Yet, the present cost of generating PV electricity is relatively high when compared to other conventional and renewable sources, despite the progressive reduction in the cost of the technology in the last decade."	Ghana – Solar photovoltaic mini-grids
3.	Compressed Biogas	LTS Document – Clause 7.1.8 "The long-term strategy of Government is to encourage the use of new varieties of sugar cane with higher biomass content and any other technology that would be commercialised so as to increase the amount of energy generated from bagasse."	India - Compressed biogas
4.	Switching from high-carbon fuel to lower-carbon-intensive fuels	LTS Document – Clause 7.1.6 "In the Transport Sector, the energy strategies are to – (i) encourage the use of more efficient and lower-emission vehicles and fuels (ii) encourage the use of biofuels. (iii) improve the efficiency of transport provision and use. (iv) reduce the level and types of vehicle and fuel supply chain emissions; and (v) provide a degree of security against supply discontinuities"	Zambia - Switching from high carbon fuel to lower carbon intensive fuels
5.	Green Hydrogen	LTS Document – Clause 7.10.3 "Technologies such as hydrogen-based electricity, gasification and fuel cells could be explored on a pilot basis subject to appropriate funding from donor agencies."	India - Green Hydrogen
6.	Establishment of Offshore Wind Farms	LTS Document – Clause 7.6.4 "In the quest to promote wind energy development, the strategy is to develop a wind atlas to facilitate the implementation of wind power projects."	Sri Lanka - Establishment of Offshore Wind Farms
7.	Implementation of Waste-to-Energy projects (Incineration)	LTS Document – Clause 7.9.2 "The strategy of Government is to incinerate waste that allows for the generation of electricity as a useful output from the process."	Sri Lanka - Implementation of Waste-to-Energy projects (Incineration)

Further, Mauritius can consider the additional criteria given in figure below when developing the country's positive list. These criteria can further enhance the effectiveness of RoM's participation in Article 6 by ensuring alignment with national priorities and maximising carbon market opportunities through investment attraction, production of high-quality credits, and upholding environmental integrity.

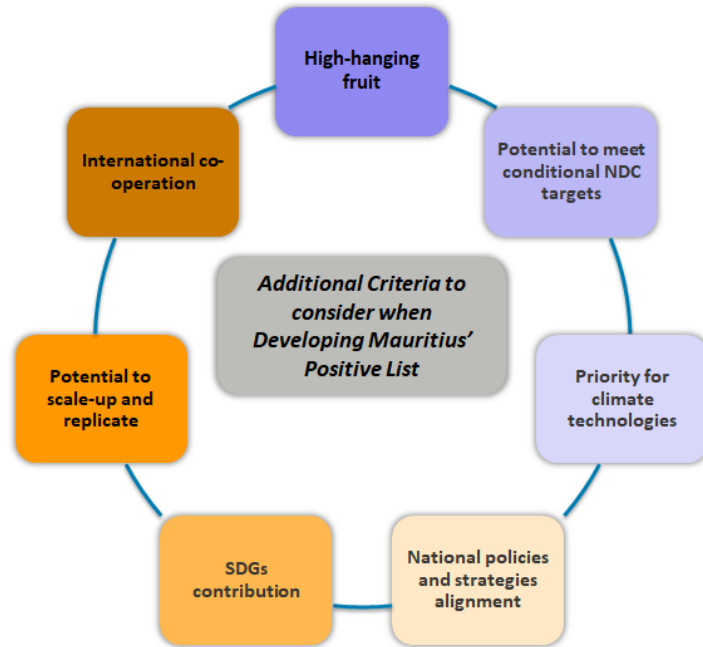


Figure 3: Additional criteria to consider when developing RoM's positive list²⁷

Thus, by aligning its updated NDCs with Article 6, Mauritius can not only strengthen its climate action framework but also create a structured pathway to secure the necessary conditional funding to achieve its ambitious NDC goals.

Case Study – India’s Positive List for Article 6.2 Activities

Renewable energy with storage (only stored component)	Solar thermal power	Off- shore wind	Green Hydrogen	Compressed bio-gas
Emerging mobility solutions like fuel cells	High end technology for energy efficiency	Sustainable Aviation Fuel	Best available technologies for process improvement in hard to abate sectors	Tidal energy, Ocean Thermal Energy, Ocean Salt Gradient Energy, Ocean Wave Energy and Ocean Current Energy
High Voltage Direct Current Transmission in conjunction with the renewal energy projects	Green Ammonia	Carbon Capture Utilization and Storage		

²⁷ <https://gghi.org/wp-content/uploads/2023/12/SPAR6C-Guide-2-Developing-an-Article-6-host-party-strategy.pdf>

²⁸ <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1900216>

Chapter 3: Operational Framework

3.1 Eligibility of projects for participation in Article 6

The rules under Article 6 establish several key criteria for the implementation of international cooperation on carbon markets and non-market approaches. These criteria help ensure **environmental integrity, transparency, and maximise the benefits of Article 6 for RoM**. The criteria from Article 6.2 and Article 6.4 overlap in some areas, hence, the same should be considered together for clarity. Listed below in Table 4 are the key criteria:

Table 4: List of criteria required in Article 6 rules and their means of verification

Criteria	Means of Verification
Article 6.2 guidance	
Additional & verified	<ul style="list-style-type: none"> MOs are additional if the host party applies and demonstrates the implementation of a validated additionality tool or Host party develops a positive list which includes additionality testing. MOs to be verified by accredited third parties in the host party
MOs from 2021 onward.	<ul style="list-style-type: none"> Information on the year in which mitigation occurred should be provided (also known as the <i>vintage of ITMOs</i>)
Environmental Integrity: Robust, Transparent Governance and Good Quality MOs	<p>Two broad options are available for ensuring environmental integrity:</p> <ul style="list-style-type: none"> Use of an Article 6.4 methodology Any methodology other than Article 6.4 methodology (e.g., methodologies aligned with Core Carbon Principles (CCPs) of Integrity Council for the Voluntary Carbon Market (ICVCM) needs to demonstrate how the methodology selected sets conservative baselines below BAU and addresses leakage
Environmental Integrity: The Risk of Non-permanence is Minimized	<ul style="list-style-type: none"> If using an Article 6.4 methodology, the host party can outsource verification of environmental integrity Any methodology other than Article 6.4 methodology needs to demonstrate or justify how non-permanent risk is minimized
Negative Environmental, Economic, and Social Impacts are Minimized or Avoided	<ul style="list-style-type: none"> Implementation of a safeguard system, including environmental and social risks assessment A mitigation plan to prevent negative social and environmental impacts should be required
Need for a Registry	<ul style="list-style-type: none"> Develop one single Article 6 registry Their own national registry The international registry to be provided by the UNFCCC <p><i>Further elaborated in Chapter 4.1</i></p>
Respect for Human Rights	<ul style="list-style-type: none"> A safeguard system incorporating the host party's existing laws and regulations to prevent human rights violations should be in place
Sustainable Development Goals (SDGs) Consistency with Host Party's Priorities	<p>Host parties should clearly define their contributions to SDGs and may require one or more of the following for verification:</p> <ul style="list-style-type: none"> Output of Article 6.4 Sustainable Development (SD) tool²⁹

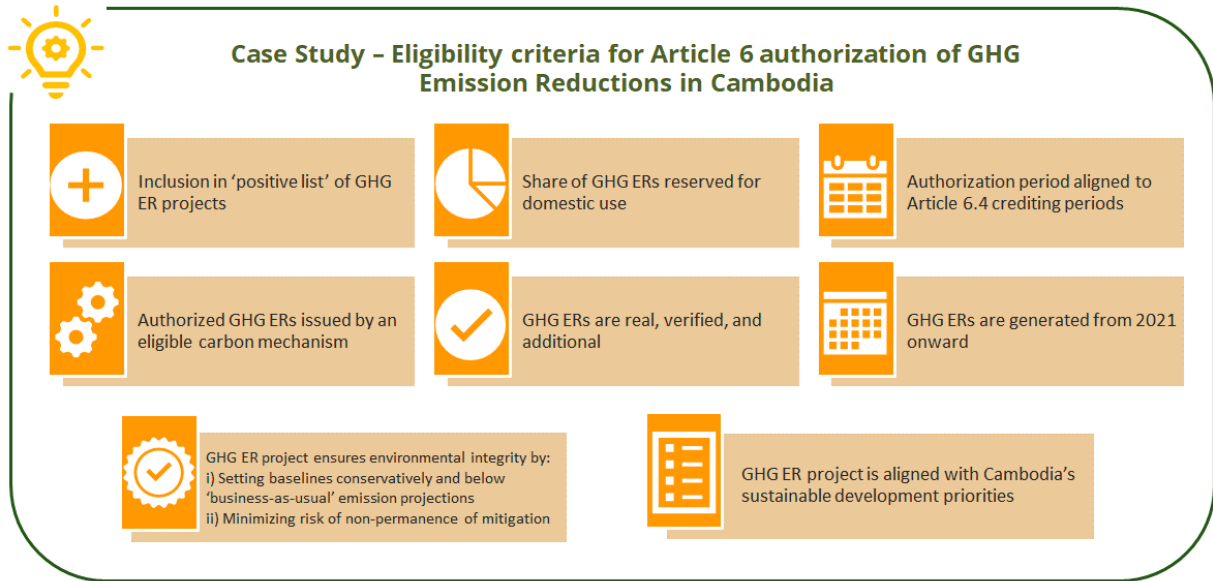
²⁹Mandatory for A6.4 project proponents and no other tool can be used

	<ul style="list-style-type: none"> • Output of the CDM SD tool • Output of the Gold Standard SD tool/approach • Output of the SDG impact assessment tool³⁰
Contribute to GHG mitigation and NDC implementation	<p>The host party could require one or more of the following to verify the contribution to NDC implementation:</p> <p>Activity is:</p> <ul style="list-style-type: none"> • Same as conditional NDC action • Activity has a spillover effect³¹ supporting an unconditional action • Activity has a longer or larger mitigation impact than the ITMO transfer (e.g., longer technical life than the crediting period)
Article 6.4 rules (In addition to A6.2 criteria, additional criteria exist for A6.4)	
Host Party emission reductions	<ul style="list-style-type: none"> • Location of the mitigation activity to be stated in the authorization request form – can be validated in the verified design documentation
Measurable, Long-term Reductions	<ul style="list-style-type: none"> • Usage of Article 6.4 methodologies ensures mitigation activities contribute to emission reductions and align with the long-term goal of Paris Agreement • Host parties/entities can choose accreditors who are accredited by UNFCCC (Article 6.4 Supervising Body) or by the host parties
Avoid Leakage	<ul style="list-style-type: none"> • Usage of Article 6.4 methodologies ensures that mitigation activities avoid leakage • Host parties/entities can choose accreditors who are accredited by UNFCCC (Article 6.4 Supervising Body) or by the host parties
Consultation with Stakeholders	<ul style="list-style-type: none"> • Activity participants need to arrange consultation processes which ensure full participation of stakeholders (including from the community leadership level to the impacted population)
Alignment with Long-term Goals of the Paris Agreement and LT-LEDS	<ul style="list-style-type: none"> • Host parties could ask activity participants to demonstrate that the technology of the activity is part of the country's low-GHG emissions development strategy
Avoid Locking in Emissions-Intensive Technologies	<ul style="list-style-type: none"> • The use of Article 6.4 methodologies helps ensure additionality of the mitigation activities as well as avoiding locking in of emissions-intensive technologies. • Host parties/entities can choose accreditors who are accredited by UNFCCC (Article 6.4 Supervising Body) or by the host parties
Encourage Ambition Over Time	<ul style="list-style-type: none"> • Host parties could require activity participants to showcase how the activity encourages ambition over time (such as showing potential for scaling up)
Contribution to OMGE	<ul style="list-style-type: none"> • Mandatory under A6.4 and voluntary under A6.2 • Cancellation of at least 2% of issued A6.4ERs from overall mitigation
Contribution to adaptation fund (SOP)	<ul style="list-style-type: none"> • Mandatory under A6.4 and voluntary under A6.2 • A levy corresponding to 5% of A6.4ERs at issuance. • The Republic of Mauritius, being a SIDS, is no longer liable to pay SOP.³²

³⁰ Developed by Gothenburg Centre for Sustainable Development

³¹ Spillover Effect: Indirect economic impacts that a particular nation or region may face due to shifts or events elsewhere

³² <https://www.nature.org/content/dam/tnc/nature/en/documents/COP29-Article-6-Key-Outcomes.pdf>



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3.2 Key steps and procedures

A host party like Mauritius needs to develop a structured framework integrating key Article 6 procedures and outlining institutional responsibilities. Figure below outlines the generic overview of the Article 6 activity cycle.

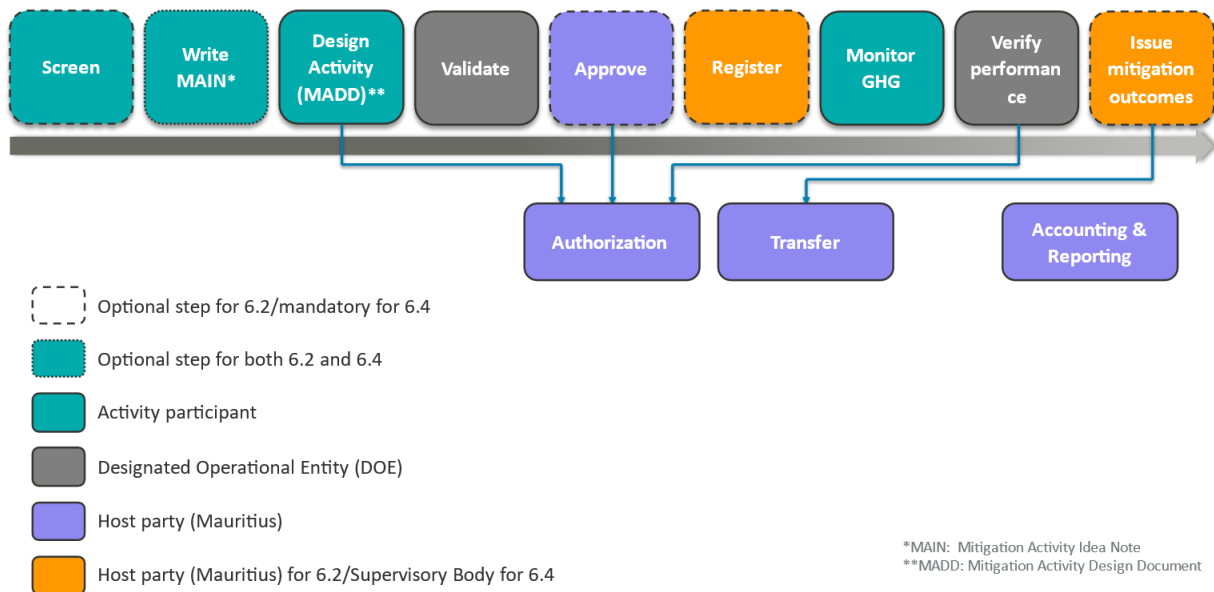


Figure 4: Generic overview of the Article 6 activity cycle³⁴

In order to have a well-structured and transparent execution of Article 6 activities, the above generic activity cycle needs to be mapped to a well-defined step-by-step process. This process can be divided into three main steps: **Authorization, Transfer, and Accounting & Reporting.**

The detailed process for each step mentioned is given below :

I. Step 1: Authorization

³³ https://www.moe.gov.kh/wp-content/uploads/2024/01/Article-6-OM_EN.pdf

³⁴ <https://www.carbon-mechanisms.de/fileadmin/media/dokumente/Publikationen/Bericht/SPAR6C - Guide 5 - Screening and developing A6 activities FINAL 30-11-2023.pdf>

Authorization is a critical step in ensuring that all carbon market activities align with national priorities and international requirements. The process involves the following key elements as showcased in the figure below:

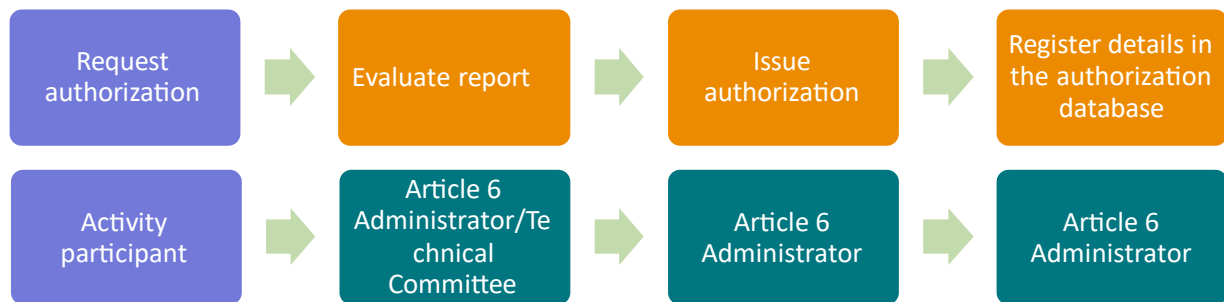


Figure 5: Overview of authorization procedure

The authorization, evaluation, and decision take place in the following ways:

Request for Authorization of MOs

The activity participant whether a public or private entity, must seek authorization for Mitigation Outcomes (MOs) from the designated government authority. Authorization is generally granted before the mitigation activity has been implemented and the reductions are verified.

Evaluation Against National Rules

The authorization request is assessed based on existing national criteria and regulations. To ensure transparency, clear guidelines on authorization requirements should be made publicly accessible (e.g., submission methods - whether electronic or physical, expected timelines, evaluation procedures, etc.). While the administrator conducts a completeness check, the technical committee may need to review materials as per the criteria and requirements. Supporting tools include checklists and authorization letter templates. This procedure confirms if the mitigation activity is aligned with the Article 6 strategy of the host party.

Authorization of the MOs

The host party issues a letter of authorization if requirements are met, specifying whether MOs are approved for:

- NDC compliance
- Other international mitigation purposes
- Other purposes (corporate buyers in the voluntary carbon market)

However, if requirements are not met, a negative statement is issued, outlining deficiencies.³⁵

Record authorized MOs in the national database

Lastly, the administrator records the information provided by the activity participant in a **national Article 6 activity database** thereby ensuring that all information needed for future Article 6 reporting is collected and stored securely.

³⁵ As part of the authorization process, many parties may choose to include a procedure to handle appeals and grievances from interested parties.



National Database: Part of centralized accounting and reporting platform. Purpose of Article 6 database is to keep records of corresponding adjustments, emissions balances, information on ITMOs first transferred, transferred, acquired, held, cancelled, cancelled for overall mitigation in global emissions, if any, and/or used by participating parties

II. Step 2: Transfer

The transfer of ITMOs occurs when they are moved from the host party's registry account to the account of the buying country or other entities. During the transfer, parties must adhere to accounting guidelines to prevent double counting. Additionally, Article 6.4 emissions reductions authorized for use by another country are transferred as ITMOs in the same process. The steps for the transfer process are illustrated in Figure 6 below:

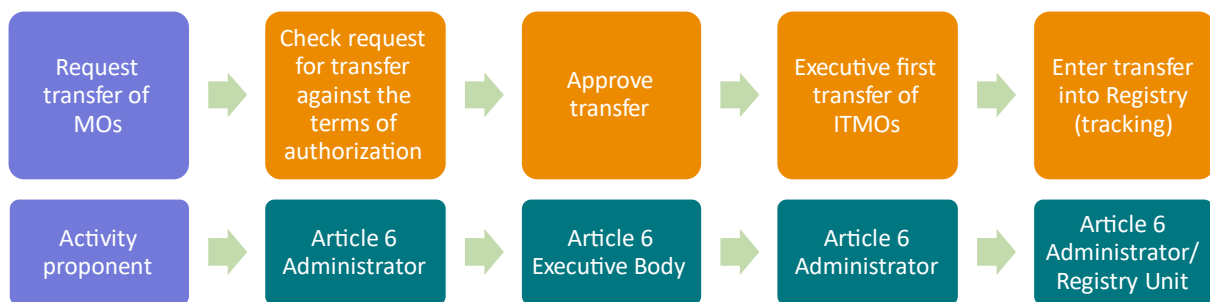


Figure 6: Overview of the transfer procedure

The host party must verify that the mitigation activity was implemented according to authorization requirements. Transfers can only occur after the implementation and verification of the activity's performance.

Request for international Transfer of MOs

In this step, the activity participant submits the request for transfer of MOs, given that the authorization criteria are met. The request must be supported by the following two mandatory requirements:

- A letter of authorization for MOs
- A final verification report certifying the CO₂ or CO_{2e} reductions achieved by the activity.

The activity participant needs to ensure that the MOs for which the transfer is requested correspond to those that were authorized. Had authorization been issued *ex-ante* (i.e. *before mitigation activity has been implemented and emission reductions verified*), the activity could have generated fewer MOs than expected. However, in the case of *ex-post* authorization, the request for authorization would be submitted parallelly with the request for transfer.

Review of Transfer Request

Before approving the transfer, the host party ensures compliance with the authorization terms. In the case of *ex-ante* authorization, the government reviews the final verification report confirming whether the verification activity was implemented as planned and that the mitigation was achieved.

For ex-post authorization, the host party finalizes the authorization process before evaluating the transfer request. The approved volume of Mitigation Outcomes for transfer must not exceed the verified amount.

Approve the Transfer

After completing the check, if all the terms and conditions have been fully complied with by the activity participant, the host party issues a transfer approval document. This document confirms the activity's proper execution and compliance with Measurement, Reporting, and Verification (MRV) requirements, certifying the generation of eligible MOs for international transfer.

However, if the check shows that the requirements were not fully complied with, the host party rejects the request for transfer.

Execute the Transfer

After approval, the host party records the details of the initial transfer in both national and international registries (under UNFCCC). Each transfer is tracked through a unique serial number, ensuring transparency and accuracy in updating the registry accounts of both the host and buying parties.

III. Step 3: Accounting & Reporting

Accounting plays a key role in implementing Article 6 by preventing double-counting and ensuring environmental integrity. It supports accurate reporting of MOs and activities through corresponding adjustments. Countries are required to submit initial, annual, and biennial reports on their Article 6 activities. The initial report confirms the country's eligibility to participate, while the annual report provides detailed information on ITMOs, including authorizations, transfers, acquisitions, and their role in NDCs. This information is integrated into the BTR and must include a summary of corresponding adjustments. The key steps in this process are shown below in Figure 7:

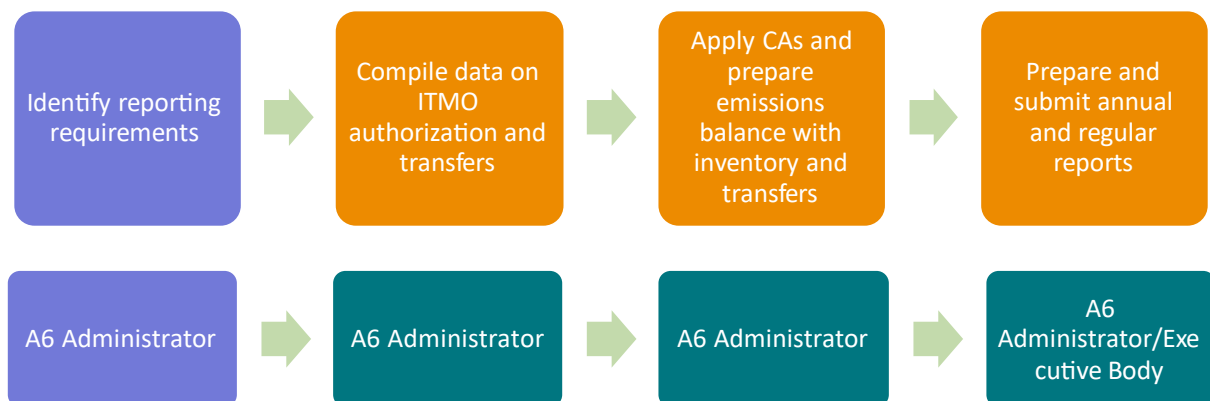


Figure 7: Overview of accounting and reporting procedure

Identify reporting requirements

Host parties should identify the requirements for each of the initial, annual and biennial reports to the UNFCCC. This includes the specific content and scope, especially for annual and regular reports as its elaboration becomes a systematic activity. The **Initial Report** is submitted to the UNFCCC communicating the strategic decisions made for implementing Article 6 strategy. This includes key details such as NDC-related information, information for each cooperative approach, etc. The **Annual Report** is submitted every year by participating countries and provides updates on Authorized ITMOs,

ITMO's use towards NDC, year in which the mitigation occurred, sector(s), activity type, etc. Lastly, **the Regular Information Report**, part of the BTR, includes information from the annual report and the information on the emissions covered by the NDC to later prepare the related emission balances.

Compile data on ITMO authorization and transfer

The initial report as mentioned above, gives an overview of the strategic decisions on Article 6 participation to the UNFCCC without requiring ITMO data (some countries may update it as they refine their strategy or expand cooperative approaches). On the other hand, annual and regular reports must include current information on ITMO authorization, transfers, use, and cancellation. Furthermore, BTR should also give a comprehensive outline of the corresponding adjustments and emission balances, specifying the cooperative approaches under which ITMO transfers occurred.

Prepare emission balances

Referring to the BTR, the host party must report the application of corresponding adjustments and present the emission balances. The accounting of the transferred ITMOs should also be recorded in the Article 6 registry. Further, the host party must have a national emissions inventory specifying the sources of GHG emissions and removals, in line with the Enhanced Transparency Framework (ETF).

Finally, the host party prepares three reports accordingly: an **initial report**, an **annual report** and a **biennial regular report**.

In continuation to the procedures outlined above, Table 5 highlights the supporting templates and tools that may be required for each step/process.³⁶

Table 5: Supporting tools and templates related to Article 6 procedures

Procedure	Templates and tools
Authorization	<ul style="list-style-type: none"> ✓ Authorization criteria (public requirements) ✓ Operational manual for internal procedure for authorizing ITMOs ✓ Authorizations database (national database) ✓ Request for authorization template. ✓ Completeness check ✓ Letter of authorization template ✓ Template for rejection of request
Transfer	<ul style="list-style-type: none"> ✓ Internal procedure for transferring ITMOs. ✓ Transfer approval request template. ✓ Completeness check ✓ Letter of transfer approval template ✓ Article 6 registry
Accounting	<ul style="list-style-type: none"> ✓ Spreadsheets to account for MOs and apply corresponding adjustments. ✓ Article 6 registry
Reporting	<ul style="list-style-type: none"> ✓ Internal procedure for reporting annual information (including data gathering and quality assurance/quality control (QA/QC) activities) ✓ Internal procedure for reporting regular information (including data gathering, QA/QC and inter-institutional cooperation activities) ✓ Templates for gathering data. ✓ Spreadsheets to make estimations (e.g., emissions balances)
Other	<ul style="list-style-type: none"> ✓ Operational rules for institutional arrangements

³⁶ <https://www.spar6c.org/sites/default/files/2023-12/SPAR6C%20Toolbox%20Guide%203%20-%20A6%20host%20party%20institutional%20framework.pdf>

- ✓ Verification guidelines
- ✓ Verification report template
- ✓ Monitoring plan template
- ✓ Procedures for accrediting verification bodies

3.3 Strategies for Risk Management

Having identified the key risks associated with Mauritius's engagement under Article 6 mechanisms in [Chapter 2.3](#), it is extremely important to understand the various strategies available to manage the risks identified. Efficient risk management strategies can not only ensure **environmental integrity, financial stability, and legal clarity** but also foster a **greater reputation for RoM** and enhanced trust and cooperation among stakeholders. In regard to the context of Article 6 of Paris Agreement, **Environmental integrity** refers to the fact that international transfers **must not lead to higher global GHG emissions** than would have been the case if NDC targets were met purely through domestic mitigation efforts, and without international transfers. Further, environmental integrity under Article 6 is impacted by **four main aspects** namely **robust accounting, quality of units, ambition, and scope of the NDC target and incentives or disincentives for future mitigation action** – the same is depicted in the image below.



Figure 8: Factors that influence environmental integrity³⁷

This section further gives a more comprehensive overview of strategies to address each category of risk identified above - environmental, financial, and legal - while considering RoM's national context, policy landscape, and NDC goals. These strategies are detailed while ensuring **environmental integrity** and safeguarding the actions to contribute to real and measurable climate action.

1. Preventing Double Counting via Corresponding Adjustment – An Environmental Risk

Double counting occurs when single reduction of GHG emission is counted more than once towards contributing to reaching mitigation targets³⁸. Under the Paris Agreement, all countries agreed to reduce their emissions through their respective NDCs. In this regard, **when a host/seller country like Mauritius transfers Article 6 units or ITMOs, it loses the opportunities to count these reductions for use towards its own NDC targets.**

³⁷ <https://www.tandfonline.com/doi/epdf/10.1080/14693062.2018.1521332?needAccess=true>

³⁸ <https://www.tandfonline.com/doi/full/10.1080/14693062.2018.1521332#abstract>



Double issuance occurs when more than one unit is issued for the same emission reduction.

Double claiming occurs when the same reductions are counted by both the country where they occur as well as the country buying/using the emission reduction units.

Double use is when the same unit is used twice to achieve a mitigation target.

Article 6 addresses double counting *via* **Corresponding Adjustment (CA)** - an accounting mechanism which ensures the prevention of double counting of emission reductions. For example, when Mauritius would sell its ITMOs to a buyer country or an international company, **it has to subtract those units from its emissions balance, and the buyer adds those units to their own emission balance**, therefore avoiding an overestimation of emission reductions and maintaining **environmental integrity** in global climate action. Additionally, robust accounting is also of great significance to ensure that only **real and additional** emission reductions are counted, further safeguarding the **environmental integrity** of the system as well as protecting RoM from any form of **social backlash/reputational risks**.

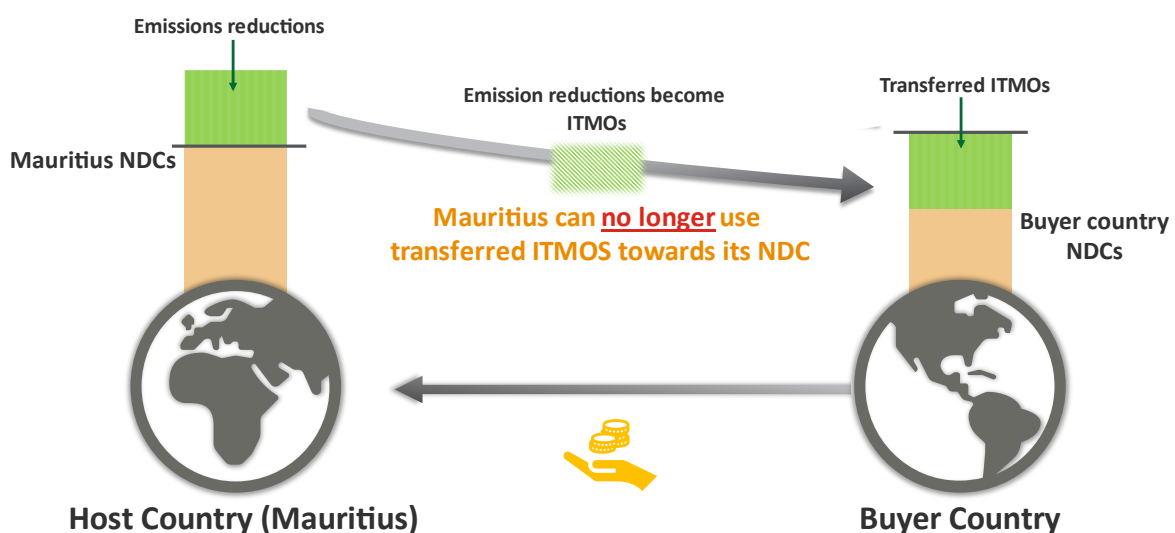


Figure 9: Corresponding Adjustment for Mauritius³⁹

Under Articles 6.2 and 6.4, CA shall be applicable for **all authorized units by the host party**, including those from sectors outside an NDC. Furthermore, countries must implement a corresponding adjustment when transferring units to **buyer country's NDC or for use in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)**.

However, there **are exemptions** where a corresponding adjustment is not required⁴⁰:

Pre-2020 CERs - Corresponding adjustments are not required for pre-2020 Certified Emission Reductions (CERs), which can be transferred to Article 6.4 but only used to meet the first NDC of the host party.

Mitigation Contributions Units (MCUs) - These are non - authorized units that **cannot** be used towards NDC fulfilment. They serve various purposes e.g., domestic pricing schemes, supporting

³⁹ https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Article_6_Explainer.pdf

⁴⁰ https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Article_6_Explainer.pdf

results-based climate finance, etc.

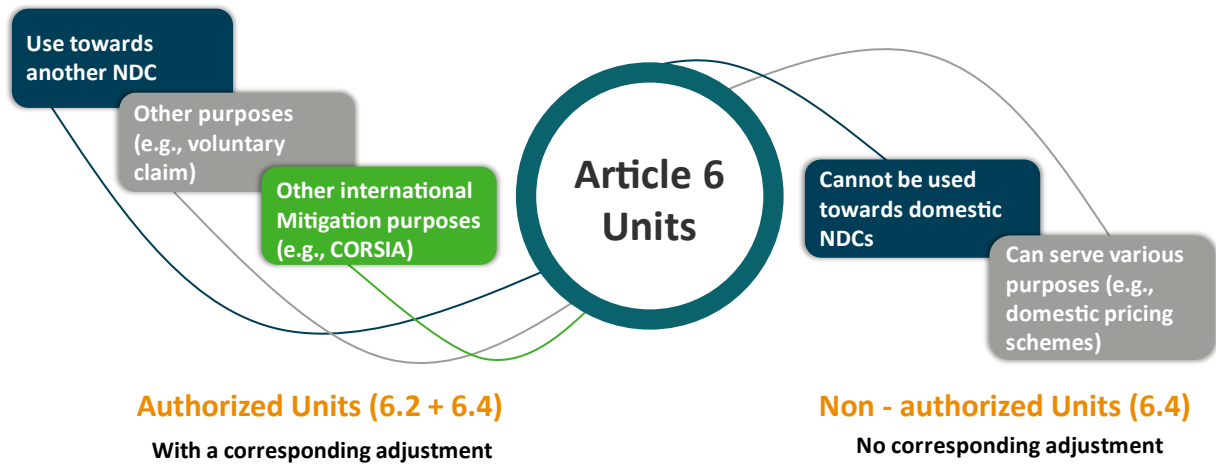


Figure 10: Requirement for corresponding adjustment⁴¹

II. Managing the Risk of Overselling Carbon Credits – A Financial Risk

A major concern for host parties considering participation in cooperative approaches under Article 6 is the risk that the participation could interfere with their ability to achieve NDCs due to the problem of "overselling" of emission reductions. Over-selling risk arises when a country **transfers too many units** internationally resulting in **unintended barrier to achieve its own domestic NDC target** thereby exposing the country to **grave reputational risk of inability to achieve its NDC targets**. Strategies to manage this risk of overselling can be broadly divided into 3 main categories: **limits on price, limits on sectors and activities, and limits on quantities**.

a) Limits on price

To define the strategies for pricing, the Republic of Mauritius needs to identify and understand the cost of the different mitigation actions in order to decrease the risk of overselling under Article 6. Therefore, RoM must ensure that the **prices of ITMOs exported** to other countries **would be able to cover the excess mitigation** if the country does not meet its NDCs. To control this, Mauritius can employ the following tools:

Marginal Abatement Cost Curve (MACC): This tool ranks mitigation activities by their cost (US\$/tCO₂ e); and can thereby help Mauritius to identify the list of **lowest-cost mitigation activities**. RoM could further utilize the MACC tool to develop the list of **highest-cost mitigation activity** which can then be made eligible for sale through Article 6. Lower cost mitigation activities identified can further be implemented domestically and therefore help Mauritius meet NDCs at a lower cost.⁴²

⁴¹ https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Article_6_Explainer.pdf



Zambia has applied a MACC to rank mitigation activities from the most expensive to the most affordable. Using these rankings, the country established a pricing criterion. Only emission reductions from higher-cost mitigation activities will be eligible for trading under Article 6, while the others will be implemented using domestic resources.

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Corresponding Adjustment Charges: RoM can impose adjustment charges like "corresponding adjustment fees" to recover costs for emission reduction credits under Article 6.2 and Article 6.4. A corresponding adjustment fee guarantees that money will be available in case ITMOs are sold from activities that could have gone toward the country's NDC. Additionally, RoM can charge additional fees such as administrative fees, which include the costs of running an Article 6 department and meeting reporting and tracking requirements.

Furthermore, as mentioned earlier, under Article 6.4, 5% of the 6.4ERs goes to the Adaptation Fund and 2% of the 6.4ERs towards OMGE to ensure global emission reductions.⁴⁴ Although not mandatory under Article 6.2, buyer countries like Switzerland and Singapore, implement them on a voluntary basis. Since these fees are paid at issuance rather than transfer, the cost burden is initially borne by the seller/ host party. Such costs can be avoided by RoM, whereby the cost can be passed down to the buyer country – few countries are already establishing tools to do so.^{45,46}

Note: The Republic of Mauritius, being a Small Island Developing State (SIDS), is no longer liable to pay the SOP to reduce the financial burden on LDCs and SIDs but can consider this strategy for future scenarios.⁴⁷



Ghana's Carbon Markets Framework lists 7 different fee types regarding activities such as **account creation in the Ghana Carbon Registry, ITMO listing, corresponding adjustments, and administrative fees**. Some are fixed, whereas others are unit-based. For example, there are account registration fees, varying between **USD 300 and 1,000**, depending on the type of activity, whereas **corresponding adjustment fees** vary between **USD 3-5 per ITMO**.

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b) Limits on sectors and activities

Conditional targets: To protect its capacity to meet unconditional NDC targets, the Government of Mauritius can pursue a **selective ITMO strategy**. As RoM's NDCs establish a **conditional financing** requirement of **USD 4.2 billion**, which is **65%** of the total finance requirement sourced from international sources and donors⁴⁹, ITMO transfers could be **limited to sectors and activities under conditional targets**. This approach ensures that mitigation efforts required for RoM's unconditional commitments remain within the country, and at the same time, utilize market

⁴³ <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>

⁴⁴ https://www.nature.org/content/dam/tnc/nature/en/documents/Article_6_Common_Questions_V2.pdf

⁴⁵ https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Article_6_Explainer.pdf

⁴⁶ https://gggi.org/wp-content/uploads/2023/08/GGGI_InsightBrief_07_Final.pdf

⁴⁷ <https://www.nature.org/content/dam/tnc/nature/en/documents/COP29-Article-6-Key-Outcomes.pdf>

⁴⁸ https://gggi.org/wp-content/uploads/2023/08/GGGI_InsightBrief_07_Final.pdf

⁴⁹ [https://unfccc.int/sites/default/files/NDC/2022-](https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Updated%20NDC%20for%20the%20Republic%20of%20Mauritius%2001%20October%202021.docx)

[06/Final%20Updated%20NDC%20for%20the%20Republic%20of%20Mauritius%2001%20October%202021.docx](https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Updated%20NDC%20for%20the%20Republic%20of%20Mauritius%2001%20October%202021.docx)

mechanisms under Article 6 to attract international finance for the higher-cost mitigation actions.



Ghana's approach has limited Article 6 exports by excluding certain activities from its unconditional target and creating a "red list" of nine mitigation activities that cannot receive ITMO transfers. Other countries, such as Vanuatu, have opted for a "positive list," whereby only selected activities listed under conditional NDC targets can qualify for Article 6.

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Sectors reflected in the GHG inventory: The lack of detail in a country's GHG inventory means that **reductions from some activities are not accounted for**. Article 6 trading can be complicated since adjustments for unrecorded reductions can **inflate** reported emissions artificially, thus requiring more **costly** mitigation efforts to meet the NDCs. Mauritius can avoid this risk by **limiting its ITMO exports to sectors that are reflected in their GHG inventory**. This will help in accurate reporting and prevent sudden increases.

c) Strategies to limit Quantities

Buffer Pools: Mauritius can use a buffer pool strategy to protect its NDC commitments while engaging in Article 6 markets. In this strategy, **a percentage of carbon credits sold** internationally would **be retained domestically** to support future NDC compliance. This reserve or pool acts as a safety net against potential shortfalls of emission reductions in the near future. However, there are a few challenges with this approach: uncertainty regarding the sufficiency of retained carbon credits in closing NDC gaps in long-term planning due to the **no-banking rule of ITMOs**, which mandates reserved credits to be utilized within the same NDC period in which they are generated.



Indonesia, Ghana, and Paraguay have established buffer pools to keep a percentage of credits for future NDC compliance. Ghana, for example, holds **1% of ITMOs** in a **national buffer account** to avoid overselling and support global emissions mitigation if required by buyers.

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Limits on crediting periods: Some bilateral agreements, especially under Article 6.2, include technology transfer, which allows the seller/ host party access to technologies not available domestically. When creating such agreements, RoM can restrict the export of ITMOs from these technologies to a period shorter than the technology's lifespan therefore acting as a tool to help Mauritius meet their NDC targets.



For example, a wind power project can have a credit period for 5 years, but technology lasts 30 years. ITMOs, in this case, are exported only in the first 5 years, and emissions reductions from remaining years will benefit the seller country's NDC.

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⁵⁰ <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>
⁵¹ <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>
⁵² <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>

“Cap” ITMO transfer per project, sector, or NDC: To reduce the risk of overselling, another strategy that Mauritius can implement is limiting the transfer of ITMOs by either project, sector, or for the entire NDC.



For example, if a reforestation project is estimated to abate 5 MT of CO₂ but ends up abating 8 MT, 3 MT more than planned, a cap will ensure that only the planned 5 million tons are exported. The **additional reductions** of 3 million tons **remain within the country** and contribute directly to the NDCs.

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III. Establishing Clear Contractual Agreements – A Legal Risk

Further, the Republic of Mauritius should also consider legal and reputational risks involved when developing or signing contractual agreements. Especially when signing agreements such as **Mitigation Outcome Purchase Agreements (MOPAs)** under Article 6.2, clear regulations around terminologies like ITMO transfer, CAs, registries, safeguards, and authorization of transfers should be outlined. Furthermore, the seller and buyer roles should be clearly defined. Given below in Table 6 is a list of seller/host party risks that may arise out of unclear contractual agreements and the possible strategies that Mauritius can implement to avoid any form of **legal and reputational risk**.⁵⁴

Table 6: Possible legal risks under contractual agreements and their management strategies

Aspect	Potential risk	Options to address risks
Reporting	Buyer stops meeting reporting requirements	Frequent reporting can become a burden and increase the risk of non-compliance - a reasonable reporting schedule can be set for reporting obligations.
Payment	Buyer refuses or fails to make payments/advance payments	Ensure payment upon delivery, perform buyer’s due diligence, and use financial tools like escrow accounts or letters of credit for payment security.
Delivery	Rejection of ITMOs by buyer	Seller can limit or not accept provisions that limit ITMO acceptance. Further, if there is a rejection option available with the buyer, it should be limited to a strict timeframe - non-objection within that timeframe may be deemed as approved.
Verification	Rejection of verification result by buyer	Implement strategies like having verification completely under the seller’s control or defining in the contract what review rights the buyer has. Using an independent verifier can also be an effective approach.
Performance	Policy is slow nonperforming or proves impossible	The seller can avoid legal risks by not entailing a promise to deliver a particular result to the buyer. Seller should, as much as possible, negotiate and commit to reasonable or best-effort obligations only.

⁵³ <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>

⁵⁴ https://gghi.org/wp-content/uploads/2023/05/GGGI_Tech_Guidelines_7-1.pdf

Lastly, RoM can further make a comprehensive and detailed benefit-sharing strategies for states, municipalities, project developers, and participating and impacted communities. The regulations can further influence the ITMO pricing depending on how much the selling country wants to allocate to home-based entities. Benefit-sharing strategies are increasingly gaining traction in Article 6 frameworks.



In Kenya, projects on community lands are required to allocate a minimum of 40% of revenue to communities for land-based projects, and at least 25% for non-land-based projects. Similarly, in Tanzania, land-based projects are mandated to specific percentages of revenue-sharing between the government, communities, and project proponents.

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⁵⁵ <https://www.nature.org/content/dam/tnc/nature/en/documents/Article-6-Implementation.pdf>

Chapter 4: Registry Management

4.1 UNFCCC guidelines for registry

To participate in market mechanisms under Article 6, Mauritius can choose from one of the several options available for registry management under A6.2. On the other hand, the Paris Agreement Crediting Mechanism (PACM) Registry or the Mechanism Registry will exist under Article 6.4. Both the country's national registry and the mechanism registry will be connected to the International Registry. Further detailing, for activities under Article 6.2, RoM can choose a registry from the 3 options available:

1. Develop one **single Article 6 registry**
2. Their **own national registry**
3. The **international registry** to be provided by the UNFCCC

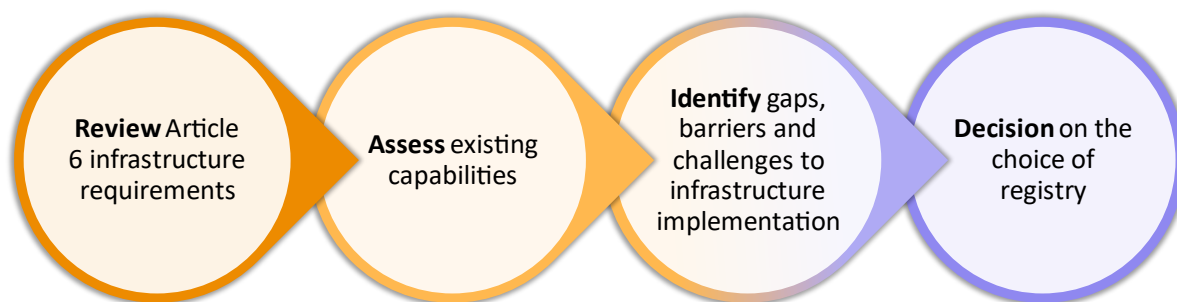


Figure 11: Process to define the appropriate registry for implementing Article 6

Article 6 does not clearly specify how the registry should be structured but focuses on what it should achieve in terms of storing, tracking, reporting, and information required on authorization and transfer of ITMOs. The following table provides additional examples of the inputs and outputs of a transaction registry.⁵⁶

Table 7: Inputs and outputs examples of a transaction registry in processes

Related process	Inputs	Outputs	Registry requirements
Authorization	<ul style="list-style-type: none"> ✓ Activity participant information ✓ Date of request ✓ Date of authorization ✓ Request ID ✓ Mitigation Activity ✓ Location ✓ Authorized MOs 	Serial number for authorized MOs	An authorization-specific ID that helps track all information on that mitigation activity and activity participant, and authorized Mos.
Transfer	<ul style="list-style-type: none"> ✓ Activity participant information ✓ Date of request 	Serial number for transferred MOs	Using a transfer-specific ID that helps track all transfer-related information such as activity

⁵⁶ <https://www.spar6c.org/sites/default/files/2023-12/SPAR6C%20Toolbox%20Guide%203%20-%20A6%20host%20party%20institutional%20framework.pdf>

	<ul style="list-style-type: none"> ✓ Date of approval transfer ✓ Request ID ✓ Mitigation Activity ✓ Location ✓ Verification body accreditation number ✓ Date of verification ✓ Lead verifier ✓ Materiality ✓ Transferred MOs 		<p>participant information, mitigation activity information, number of MOs transferred and buying party.</p>
Accounting	<ul style="list-style-type: none"> ✓ Serial number for transferred MOs ✓ GHG emissions inventory ✓ NDC goals and progress 	<ul style="list-style-type: none"> ✓ Amount of transferred MOs ✓ Emissions balance 	<p>The system could be designed to apply CA and reflect them in the emissions balance - could require links to other systems (i.e. GHG inventory). Applying CA is not mandatory for Article 6 registry.</p>
Reporting	<ul style="list-style-type: none"> ✓ Information from the activity participants ✓ Information from the buying parties ✓ Information from the mitigation activity ✓ Authorized ITMOs ✓ Transferred ITMOs (amount and serial numbers) ✓ May require emissions from the GHG inventory ✓ May require progress towards NDC ✓ May require contributions to the SDGs and sustainable development 	<ul style="list-style-type: none"> ✓ Amount of transferred ITMOs per activity type ✓ Emissions balance 	<p>The system can be designed to generate reports with tables and graphs showing emissions balance and impact of transfers of MOs on compliance with NDCs. Performing specific reports is not mandatory for Article 6 registry.</p>

4.2 Alignment of Article 6 registry with MauNDC registry

Mauritius, at the moment, operates its own online MRV system to track NDC mitigation and adaptation actions registry. As an existing GHG tracking registry, the Mauritius' NDC Registry known **as the MauNDC Registry** was launched on 23 November 2023. A total of 92 officers from various ministries/parastatal bodies were nominated as thematic owners and thematic users on the MauNDC Registry.⁵⁷ The existing registry can therefore be assessed for its compatibility and suitability as an Article 6 registry. To determine whether the MauNDC registry can be expanded for Article 6 transactions or if it would be more effective to adopt the UNFCCC system, an assessment can be undertaken.

The table below outlines the **key instruments and functionalities** of the MauNDC Registry to

⁵⁷ https://open.unep.org/docs/gef/PIR/5649_PIR_UNEP_2024_Mauritius_NAMA.pdf

facilitate this evaluation.⁵⁸

Identify those instruments that are in place and the characteristics that they have

Table 8: Identification of MauNDC registry and its functionality (Tentative)

Instrument	Yes	Characteristics	Yes [#]
Mandatory GHG emission registry		Sector-specific registry for reporting purposes	✓
		Other purposes	✓
		Does it have trackable electronic/web based MRV?	✓
Mandatory registry of sector-specific mitigation projects (i.e. mitigation registries, offsetting registries)		For statistical purposes	
		For carbon credit transactions	
		To track NDC goals	✓
		To track national sectoral goals	✓
		To track corporate goals	
		To track CORSIA	
		Other purposes	
		Have specific problems been detected with methodologies in registration processes and/or reduction estimates?	
Any voluntary emissions reporting programs (e.g., incentives to corporations)?		Does it have links to international crediting mechanisms (VCMs)?	
		Does it involve carbon credit transactions?	
		Does it have trackable electronic/web based MRV?	
Is the preparation of the emissions inventory based on an electronic or web based MRV system?		Is it functional?	✓
		Does it contain limited access to various stakeholders?	✓
		Is the provision of information efficient and timely?	
		Is the coordination between institutions adequate? (Is data provision efficient?)	
		Is the system capable of making sectoral emission estimates? (i.e. automatic estimates)	
		Are Q/C processes enabled?	✓
		Is the entire inventory preparation process monitored, or is it focused only on estimating emissions recorded by sector or subsector?	✓ Only estimating emissions recorded by sector or subsector
		Does the system contain links to other information systems (e.g., energy or forestry information systems)?	
		Does it have trackable electronic/web based MRV?	✓
Is there any mechanism that		Carbon Pricing Instruments (CPIs)	
		Schemes with domestic transactions	

⁵⁸ <https://www.spar6c.org/sites/default/files/2023-12/SPAR6C%20Toolbox%20Guide%203%20-%20A6%20host%20party%20institutional%20framework.pdf>

Instrument	Yes	Characteristics	Yes [#]
involves the registration and tracking of transactions?		Schemes with international transactions	
		Has the tracking of these transactions been functional?	
		Does it have trackable electronic/web based MRV?	

[#]Note: The information is tentative

Furthermore, the assessment for the MauNDC registry should include the following factors (as given below in Table 9) to determine the feasibility and effectivity of extending the scope for Article 6:

Table 9: Feasibility and effectivity of extending the scope for Article 6

Factors		Current Stage Understanding	
A	The complexity of the management	How difficult is it to manage?	Managing Mauritius' MauNDC Registry and its climate tracking systems is complex due to the need for integrating multiple data sources, ensuring accurate reporting under the Enhanced Transparency Framework (ETF), and aligning with Article 6 of the Paris Agreement.
B	Relevant functionalities	Does it have the necessary functions/features?	The MauNDC Registry supports Measurement, Reporting, and Verification (MRV) processes, ensuring Mauritius' NDCs are properly tracked with features like tracking outcomes, interventions, indicators and support required.
C	User types and complexity to coordinate and oversee them	Is the system user-friendly, efficient, and intuitive to navigate?	Mauritius' challenges with data quality and tracking, user-friendliness of the MauNDC registry, training, and clear governance structures are essential for efficient use.
D	Accessibility	Can relevant stakeholders easily access the system?	Yes, it is accessible to relevant stakeholders, including policymakers, technical working groups individual verifiers.
E	Transparency	Can it help publish reports for public or international review?	The MauNDC Registry has potential to provide the required supporting data and details for reporting like BTR and others. However, it requires a few amendments.
F	Legal framework	Are there regulations to support the operation and maintenance of the registry?	Mauritius has the Environment Protection Regulation, 2010 which needs changes and amendments as per the latest NDC and Article 6 requirements. The country also has the Climate Change Act and NDC Action Plan to support the regulation.
G	Links with other systems and its functionality	Can it integrate with domestic or international registries?	The MauNDC is designed to accommodate the future requirements of domestic or international registries.
H	Barriers to overcome	Are there any constraints that could hinder its effectiveness?	Modify the registry and make it user friendly and develop capacity building. Address data challenges, and enhance the functionality of its tracking system

After conducting the assessment, if the existing MauNDC registry faces too many barriers, the Republic of Mauritius may consider developing a new registry with standardized characteristics and

efficient processes. However, if Mauritius decides to use the existing registry, the country should take into account the key considerations and challenges in extending its coverage, as shown in the illustrative below.

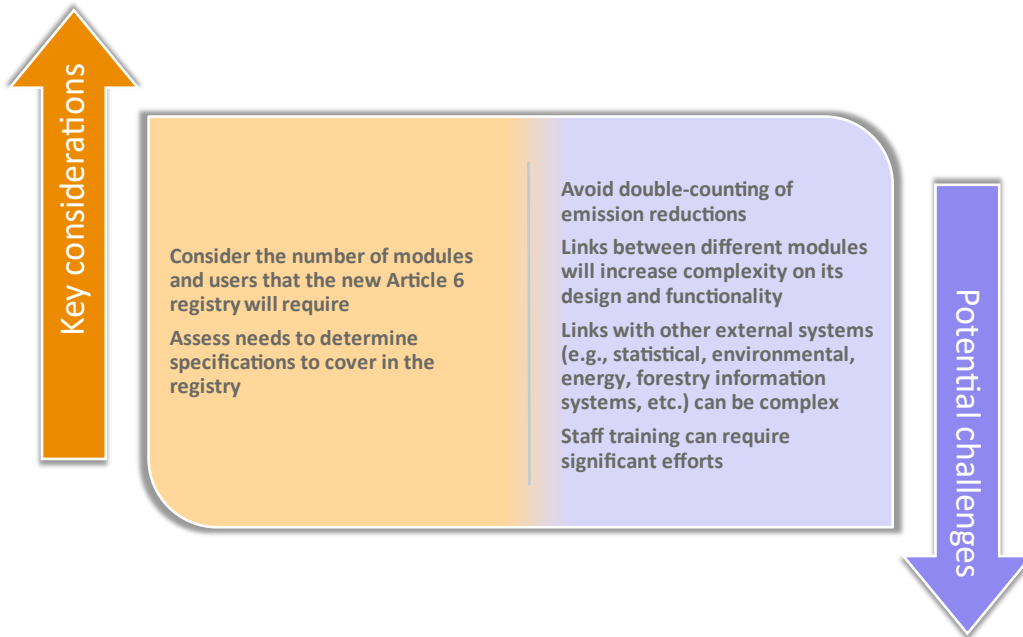


Figure 12: Key considerations and challenges on extending the coverage of an existing registry

Chapter 5: Capacity Building and Support

5.1 Recommendations on building technical and institutional capacity

It is extremely important that host parties like Mauritius possess adequate capacity and confidence to be able to operate successfully in Article 6 market mechanisms. As per an Article 6 readiness survey in 2022 of GGGI Member and partner governments, it was highlighted that while countries eagerly await participating in co-operative approaches, the uncertainties and risks significantly influence their decisions. It was also emphasized that **48%** of countries felt that the Article 6 market mechanism lacked equal opportunities for buyers and sellers.⁵⁹

For effective participation, RoM can use leading questions (as given in the table below) to assess institutional capacity and identify gaps in specific departments, thematic areas or units within the shortlisted institutions.⁶⁰

Table 10: Questions to analyse current institutional capacity

Questions to help identify gaps	Action required
<i>How many employees are there in the specific area or office of the shortlisted institutions?</i>	Map the number of employees and positions per potential areas/offices
<i>Are there enough to perform current tasks?</i>	Estimate the required employees for additional tasks related to Article 6
<i>Are there enough to perform additional tasks?</i>	If not enough, consider a staff increase and the related costs
<i>Are the tasks performed established in a mandate? Could the Article 6 functions be (legally) adopted by the institution?</i>	If not, consider amendments to regulations governing institutions
<i>Are the responsibilities covered on time?</i>	If not, make an analysis to determine the reasons (could include reasons such as lack of staff or lack of training or expertise). Consider a staff increase and training as necessary to adopt Article 6 functions.
<i>Is staff turnover common in the office?</i>	If yes, make an analysis to determine why the staff is constantly moving. Consider reviewing recruitment process, work conditions and staff training necessary to adopt Article 6 functions.
<i>How is the staff workload considered (e.g., overload, enough, adequate)? Is the staff covering tasks outside of the established scope?</i>	If staff are currently overloaded, consider a staff increase. Review workplan in the institution, prioritize tasks and rely on other work teams if redistributing the

⁵⁹ https://gggi.org/wp-content/uploads/2023/08/GGGI_InsightBrief_07_Final.pdf

⁶⁰ <https://www.spar6c.org/sites/default/files/2023-12/SPAR6C%20Toolbox%20Guide%203%20-%20A6%20host%20party%20institutional%20framework.pdf>

	workload is feasible. Ensure good working conditions.
<i>Do the staff have the adequate background and skills to manage Article 6 functions?</i>	If not, consider training staff and review recruitment processes to ensure that the technical background required to carry out Article 6 activities is covered.
<i>Is the budget required to perform the tasks enough?</i>	If not, look for sources of financing to increase resources to make Article 6 operational.
<i>Is the equipment sufficient and does it cover the minimum technical requirements to perform the tasks?</i>	If not, look for sources of financing to increase or improve resources to make Article 6 operational.
<i>Is the inter-institutional coordination adequate (i.e. inter-ministerial, and among different units)?</i>	If not, consider working on engagement and capacity building with the necessary entities and units. Stakeholders involved need to understand the relevance of the coordination in the Article 6 strategy implementation.

Further, additional recommendations that can be adopted by the Republic of Mauritius to maximise effectiveness, scale and coordination and thereby achieve Article 6 readiness are mentioned below:⁶¹

- ✓ Sustainable capacity building should be country-driven, anchored with national stakeholders, and relevant to international partners.
- ✓ In place of a generic and standardized capacity-building effort, efforts should be made to make the capacity-building more tailored to the target groups and their specific needs. When implementing a capacity-building training or workshop the audience should be carefully selected.
- ✓ The sequence for capacity building should begin with knowledge products, followed by structured training programs, peer-to-peer engagement, and finally, hands-on experience.
- ✓ Capacity-building efforts for Article 6 should focus on ambitious and innovative approaches that can help operationalize Mauritius Article 6 rules in a more stringent manner.
- ✓ Mauritius should:
 - Engage more regularly in coordination of capacity-building initiatives
 - Introduce a repository early on comprising all Article 6 knowledge products, especially focusing on leveraging support provided under Article 6.8.
 - Focus on strengthening national coordination within the government and the private sector as well as enhancing regional coordination.
 - Regularly bring together key carbon market actors and pilot project participants to share insights on best practices, successes, encountered challenges and failures.

⁶¹ https://www.carbon-mechanisms.de/fileadmin/media/dokumente/Publikationen/CMM-WG_discussion_paper_CB_for_Art6_cooperation_042022.pdf