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# IMPOSING FEES AND LEVIES

The host country of an Article 6 activity must implement various processes and procedures to adhere to international rules and requirements while working towards its NDC. Developing and establishing the relevant strategy, framework and infrastructure for that purpose demands resources and incurs costs. To cover these costs, a host country can impose levies or fees. Types, modalities and levels of fees or levies charged by a host country are referred to as *the 'fee structure'*. A significant challenge when determining the fee structure lies in striking a balance between a country's own interests (e.g., reducing the risk of overselling and guaranteeing equitable income) and those of the investors and buyers. Due to this complexity, the fee structure may also be integrated in ITMO price negotiations.

The expenses associated with various activities within the Article 6 activity cycle are contingent upon the scope of the governance framework envisioned by a host country. Some host countries strive to extensively engage in market-based cooperation under Article 6 and, consequently, may seek to implement a comprehensive framework. Others might opt for a less differentiated framework. In addition, the expenses will vary based on specific decisions, such as whether to establish a national registry under Article 6.2 or use the international registry implemented by the UNFCCC Secretariat.

Host countries have the option to implement fees associated with any action required throughout the Article 6 activity cycle. **Administrative fees**, for example, could be instituted for the oversight of mitigation activities, including activity and methodology approval. They may also be charged to cover costs related to procedures and processes to prevent double counting and ensure regular reporting. These fees can be either fixed fee (monetary value) or proportional to ITMO volumes. **Authorisation fees** granting approval to entities or mitigation outcomes could also be implemented. On the one hand, these fees should cover



costs associated with the respective processes, while on the other hand, they might be relevant when authorising mitigation outcomes to reflect the opportunity cost of the mitigation outcome that can no longer be counted towards the NDC target.

In light of the above, developing a clear and comprehensive fee structure should be an integral part of the deliberative process of implementing Article 6 on the national level. Thus, once decided upon, the fee structure should be communicated publicly to ensure transparency and provide a certain level of certainty on the part of activity developers.

# Ghana's Fee Structure Example

In December 2022, Ghana published a comprehensive "[Carbon Market Framework](#)" containing detailed information on the fee structure the country has adopted. This case study explores its various components.

The table provided below outlines the various fees encompassed within Ghana's framework. It delineates the activity category associated with each fee, the corresponding fee level in U.S. dollars, and the timing at which the fee is incurred.

Fee Type	Activity category	Fee level (US \$)	Timing of fees
<b>Administrative fees</b>			
Mitigation activity participant fee	Fee differentiation based on scale of mitigation activity (small- and large-scale)	300-1000	At the point of submitting entity or participation forms
	Forestry Projects	500	
MID fee	Fee differentiation based on scale of mitigation activity (small- and large-scale)	200-500	At the point of submitting entity or participation forms
	Forestry Projects	300	
Unique Identification Number fee	All entities	400	At the point of submitting entity or participation forms
Listing fee	Seeking to generate authorised ITMOs	0.2/ unit of ITMOs	Upon the issuance of ITMOs at ex-post
	Carbon offset credits	00.1/ units of ITMOs	
<b>Corresponding</b>			
CA fee	Fee differentiation based on scale of mitigation activity (small- and large-scale)	3 -5/ units of ITMOs	At the point of registration or ex-ante or at the issuance of ITMOs or VERs
	Forestry Projects	5/ unit of ITMOs	
<b>Approval and Authorisation fee</b>			
Administrative fee for LEA	Authorisation to participate in A6.4 activity	500	At the point of request
Administrative fee for A6.4 LOA	A6.4 activity seeking a LOA	1000	
Corresponding Adjustment fee	Fee differentiation based on scale of	3 -5/ units of ITMOs	At the point of registration or ex-

mitigation activity  
(small- and large-  
scale)

ante or at the  
issuance of ITMOs  
or VERs

Forestry Projects

5/ unit of  
ITMOs

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