



APPROVING METHODOLOGIES

Host countries should set up processes for several operational procedures, including but not limited to: activity approval, authorisation and corresponding adjustments, issuance and transfer, reporting and tracking. Furthermore, countries may provide guidance and support to mitigation activities, including by approving methodologies. National priorities and requirements¹ related to Article 6 cooperation play a crucial role in guiding the host country's decisions on setting up specific conditions regarding methodologies, standards and guidelines for Article 6 cooperation. Introducing additional national requirements can enhance the alignment with the host country's NDC, LT-LEDS, adaptation plan and sustainable development strategy.

Under Article 6.2, the cooperating countries² collaboratively determine the methodological approach. If this approach aligns with the minimum requirements established by the Article 6.2 guidance, any existing methodology can be selected, including a VCM methodology, a self-determined approach or an Article 6.4 methodology. The host country has the authority to define clear methodological requirements and standards, communicating them to interested countries. This ensures that the national conditions and requirements of the host country are taken up in the methodological approach.

Regarding the Article 6.4 mechanism, [methodologies may be developed by the activity participants, host countries or the SB](#)³. The SB must approve each proposed methodology to ensure that it meets the Article 6.4 requirements. The same accounts for standardised baselines. In the context of the Article 6.4

¹ This strategic orientation is further detailed the Information Note *Determining strategic objectives on the Article 6 page How to engage strategically?*

² This strategic orientation is further detailed the Information Note *Bilateral Agreements on the Article 6 page What is needed for national implementation?*

³ Annex, para. 35.



mechanism, the host country retains the right to establish additional requirements covering the following aspects:

- Baseline approaches and other methodological requirements (including additionality under the SB's supervision, with compatibility explanations of the requirements with the host country's NDC and LT-LEDS⁴)
- Crediting periods for intended hosted activities, including renewability considerations⁵
- More ambitious baseline approaches levels

Existing methodologies as basis for national frameworks

Several commonly recognised crediting programmes can serve as a starting point for the selection of methodologies under Article 6.2 cooperative approaches:

- CDM methodologies: A wide range of approved methodologies and methodological tools applicable to various sectors and activity types, with potential adjustments to align with Article 6 requirements
- Joint Implementation (JI) methodologies: Adopted under the JI crediting program of the Kyoto Protocol
- VCM Methodologies: Methodologies developed by voluntary carbon crediting programmes such as the Verified Carbon Standard (VCS) and the Gold Standard can be used under Article 6.2

National processes for methodology approval

Host countries have the flexibility to establish clear processes for the approval of methodologies, standards and guidelines within the framework of Article 6.2 cooperative approaches. Various approaches to national approval processes can be considered:

- **Centralised approval:** Centralised government body or agency comprising experts from diverse sectors, assumes responsibility for approving methodologies, standards, and guidelines. This approach ensures consistency and uniformity in the approval process across different projects and sectors.
- **Sectoral approach:** Different government bodies or agencies are assigned to approve methodologies specific to their respective sectors. This approach allows for sector-specific expertise and considerations.

⁴ Ibid, Annex, para. 27a

⁵ Annex, para. 27b



National methodology approval processes under Article 6.2 should encompass the following considerations:

- **Initial assessment against national priorities⁶:** The host country may conduct an initial assessment of an existing methodology (e.g., VCM methodology) or a newly proposed methodology by activity participants, a designated operational entity (DOE) or any other stakeholder against national priorities. This assessment determines whether the methodology satisfies specific national requirements and applies factors that are derived from national circumstances.
- **Involvement of stakeholders:** A country may choose to involve stakeholders through a public consultation, targeted webinars or other means in the approval process. This approach promotes transparency and inclusivity, enabling stakeholders such as industry associations and representatives, scientific experts, civil society organisations, and affected communities to provide inputs and feedback on proposed methodologies. Public consultation can help ensure that methodologies address the concerns of various stakeholders. If public consultation is organised, adhering to international best practices involves setting a 21-day period for comment submission.⁷ Additionally, public comments received should be made publicly accessible on the designated national authority (DNA)'s website.
- **Independent review and verification:** Methodologies should undergo an independent review and verification process to assess their technical rigor and adherence to established criteria.
- **Continuous improvement:** The methodology approval process should facilitate continuous refinement and adaptation based on feedback and lessons learned from implementation. Establishing regular review cycles and mechanisms to integrate new scientific findings and technological advancements is essential to ensure that methodologies remain robust and up to date.

⁶ This strategic orientation is further detailed the Information Note *Determining strategic objectives* on the Article 6 page *How to engage strategically?*

⁷ For more information, refer to UNFCCC (2023): [Draft Recommendation Requirements for the development and assessment of Article 6.4 mechanism methodologies](#), Version 09.1, A6.4-SB008-A13.



Potential risks and benefits of national-level approval decisions for methodologies, standards and guidelines

Consideration for the development of national procedures and guidelines on methodologies and standards approval at the national level involves various potential risks and benefits that decision-makers need to weigh carefully. Accordingly, the following elements should be taken into account:

Risks

1. **Lack of consistency:** National-level approvals may result in lack of consistency and harmonisation across different countries.
2. **Potential for loopholes and gaming:** Decisions made at the national level may increase the potential for loopholes and gaming of the system. Countries could adopt methodologies that allow for questionable accounting practices or unrealistic emission reduction claims, leading to inflated credits and an undermining of the overall environmental integrity of Article 6.
3. **Insufficient stakeholder engagement:** National-level decision-making processes may not consistently ensure adequate stakeholder engagement. Failure to involve relevant stakeholders, such as affected communities, indigenous peoples, and civil society organisations, can lead to decision-making that overlooks their perspectives, priorities, and fails to adequately consider potential adverse impacts.

Benefits

1. **Tailored to national circumstances:** National-level approvals provide the opportunity for countries to tailor methodologies, standards, and guidelines to their unique national circumstances. This allows for greater flexibility and consideration of specific national priorities, taking into account local resources, capacities, and development needs.
2. **Responsive to national climate goals:** Approving methodologies at the national level enables countries to align their climate strategies and goals with the specific frameworks they develop. This can ensure that approved methodologies support the achievement of national targets and priorities, fostering effective and focused emission reduction efforts.
3. **Increased ownership and engagement:** National-level decision-making processes can enhance ownership and engagement of countries in implementing Article 6. By engaging in the approval process, countries can be more invested in the outcomes and contribute to the development of



transparent and robust methodologies that reflect their specific needs and circumstances.

4. **Promoting innovation and learning:** Approvals at the national level can encourage innovation and learning by allowing countries to experiment with new methodologies and practices. This can lead to the development of more efficient and effective approaches to emissions reduction, promoting technological advancements and sharing of best practices among nations.
5. **Facilitating regional cooperation:** National-level approvals can facilitate regional cooperation by harmonising methodologies and standards within a geographical region. This can promote collaboration and coordination among neighbouring countries, notably enhancing the potential for joint implementation and carbon market activities at the regional level.

It is crucial for countries to carefully weight these potential risks and benefits when deciding to implement conditions for methodologies, standards, and guidelines and related processes at the national level.

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