



Puro Standard Article 6 Procedures

Procedures for the use of CORCs for Nationally Determined Contributions (NDCs) and other international mitigation purposes under the Article 6 of the Paris Agreement

PROCEDURES FOR THE USE OF CORCS FOR NATIONALLY DETERMINED CONTRIBUTIONS (NDCS) AND OTHER INTERNATIONAL MITIGATION PURPOSES UNDER ARTICLE 6 OF THE PARIS AGREEMENT

Contents

1.	Purpose and Definitions	1
1.1.	Context.....	1
1.2.	Purpose of these procedures	1
1.3.	Definitions	1
2.	Additional Requirements for CO ₂ Removal Suppliers under Article 6 of the Paris Agreement ..	2
2.1.	Authorized Uses and Labeling	2
2.2.	Process of Authorization	4
2.3.	Corresponding Adjustment	5
2.4.	Evidence of Application of Corresponding Adjustments.	7
2.5.	Non-Application of Corresponding Adjustment by Host Countries.	7
2.6.	Reporting on Authorized Uses.....	8
3.	Limitation of Liability	11
4.	References	11
5.	Version History	11

1. Purpose and Definitions

1.1. Context

1.1.1. Article 6 of the Paris Agreement establishes a framework for voluntary international cooperation that allows countries to meet their climate targets in a cost-effective way. Some key points about Article 6:

- a) It sets up a system for internationally transferred mitigation outcomes (ITMOs). These mitigation outcomes are emissions reductions or removals. The system proposed by Article 6 allows a country to fund emissions reduction and removal projects in another country and count the reductions or removals towards its own Nationally Determined Contribution (NDC) target.
- b) It aims to avoid double counting of mitigation outcomes in national emission balances by ensuring there is a corresponding adjustment made when ITMOs are transferred between countries.
- c) It establishes a centralized UN mechanism to contribute to emissions reductions and removals and support sustainable development. Also, the emission reductions or removals can be used for other international mitigation purposes (OIMP) such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) but cannot be counted towards both NDC use and CORSIA.
- d) A key goal is to enhance cost effectiveness in achieving global climate mitigation targets. By allowing international cooperation and a global carbon market, emissions cuts can happen where it is cheapest. This is intended to accelerate climate action.

1.1.2. In summary, Article 6 provides flexibility and market mechanisms to stimulate faster and more ambitious action on climate change mitigation across borders.

1.2. Purpose of these procedures

- 1.2.1. Facilitate trade of CORCs should they need to be transferred between countries or to other schemes outside of the Paris Agreement such as CORSIA.
- 1.2.2. Meet requirements for the Integrity Council of the Voluntary Carbon Market Core Carbon Principle (CCP) Attribute 1: Host Country authorization pursuant to Article 6 of the Paris Agreement.
- 1.2.3. This document describes the requirements and procedures set in place by the Issuing Body to complement the Puro Standard in support of the transparent tracking of the mitigation outcomes and include but are not limited to:
 - a) Definition of Authorized Uses under Article 6 of the Paris Agreement.
 - b) The labelling process for authorized uses under Article 6 and other international mitigation purposes.

1.3. Definitions

- 1.3.1. CO₂ Removal Certificate (CORC): It is an electronic document, which records the Attributes of CO₂ Removal issued to certified Production Facilities. Each CORC represents a Net Carbon Dioxide Removal volume of one (1) metric ton of Long-Term

CO₂ Removal. In this document, this term is used interchangeably with mitigation outcome.

- 1.3.2. CO₂ Removal: Carbon dioxide removal is an anthropogenic activity involving removal of CO₂ from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes anthropogenic enhancement of biological, geochemical, or chemical CO₂ sinks, but excludes natural CO₂ uptake not directly caused by human activities.
- 1.3.3. Country, host: Country under whose jurisdiction the CO₂ Removal project operates and issues mitigation outcomes (i.e., CORCs). Also referred to as host country or transferring country. Term equivalent to host Party.
- 1.3.4. Country, participating: Country that is involved in a cooperation approach under article 6 of the Paris Agreement. Term equivalent to participating Party.
- 1.3.5. Country, using: Country that uses mitigation outcomes (i.e., CORCs). to meet their NDC. Term equivalent to using party.

2. Additional Requirements for CO₂ Removal Suppliers under Article 6 of the Paris Agreement

2.1. Authorized Uses and Labeling

- 2.1.1. Under Article 6 of the Paris Agreement, a host Country can choose to authorize the use of mitigation outcomes generated within its jurisdiction for international cooperation approaches. The purpose of this authorization is to allow cooperation between participating countries to achieve efficient mitigation outcomes in their Nationally Determined Contributions (NDCs). In addition, it may allow the use of these mitigation outcomes for "other international mitigation purposes" (OIMP). This requires performing corresponding adjustments in the accounting of the mitigation outcomes in the national emissions balance of the host and using countries. This means excluding the mitigation outcome in the emissions balance of the transferring host country and including it in the acquiring participating country. Thus, preventing double counting.
- 2.1.2. Authorized uses of mitigation outcomes under Article 6 of the Paris Agreement have a unique attribute label in the Registry in compliance with IC-VCM¹ and to facilitate reporting as discussed in greater detail under clause 2.6 Reporting on Authorized Uses.
- 2.1.3. The Article 6 authorized uses and their labels in the Registry are:
 - a. NDC use:
 - i. To be used as an Internationally Transferred Mitigation Outcomes (ITMO) for trading between countries participating in cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.
 - ii. Registry Article 6 "Authorized Use" label: NDC.

¹ Core Carbon Principles Attribute 1: Host country authorization pursuant to Article 6 of the Paris Agreement.

- b. International Mitigation Purposes other than NDCs:
 - i. To be used to meet other international mitigation purposes including but not limited to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and/or the voluntary carbon market.
 - ii. These other purposes are specified in the Registry under another field called "OIMP Use".
 - iii. Currently, the Registry records the following authorized OIMP Use(s): "CORSIA" or "Other".
 - iv. Registry Article 6 labels include:
 - 1. "Authorized Use" label: "OIMP".
- 2.1.4. The authorized uses of Other International Mitigation Purposes (OIMP) need to be specified in the Registry to avoid double counting with other schemes outside of the Article 6 framework.
- 2.1.5. OIMP uses are specified as follows:
 - a. CORSIA: This label means that the CORC is authorized to be used for CORSIA by the host country, who commits to applying a corresponding adjustment to their emissions balance once the first transfer condition is met. In addition,
 - i. The CORC shall meet the CORSIA Emissions Unit Eligibility Criteria (EUC) and be issued by a crediting program and a Methodology approved by CORSIA for a specific eligibility timeframe (i.e., 2024-2026 Compliance Period).
 - ii. The CORSIA eligibility of a CORC is recorded in the Registry with the label "CORSIA Eligible."
 - b. Other: This label is to be used for CORCs that would be traded in the voluntary carbon market and/or the compliance market by companies seeking to meet their net-zero targets or other requirements.
 - i. Voluntary market transactions do not require authorization of use and corresponding adjustments within Article 6 of the Paris Agreement framework.
 - ii. CO₂ Removal Suppliers may request the authorization of this use if available in their project's jurisdiction. It is left to the discretion of the host country through its designated authority to decide to authorize this purpose. In this case, the Registry will be able to provide the corresponding label.
 - c. CORSIA or Other: This label is to be used for CORCs that can be traded in CORSIA, in another compliance market that does not count towards NDC targets, or in the voluntary carbon market. It is an attribute that can be used when CORCs are authorized and/or issued. However, after "first transfer", the OIMP use shall be defined either as "CORSIA" or "Other" to be adequately recorded for retirement.
 - d. Additional OIMP uses may be established in the future. For example, allowing CORCs to be used in compliance with the International Maritime Organization (IMO); in such cases, the Issuing Body will create their respective label(s).

- 2.1.6. The Puro Standard allows for the application and authorization of all possible uses to their CORCs. Therefore, CORCs may have more than one authorized use assigned to them.
- 2.1.7. The need for a Corresponding Adjustment will be determined based on the “first transfer” condition of the selected use as defined under clause I.2 of the Annex to Decision 2/CMA.3 and referenced in Table 1 of this document.
- 2.1.8. The Registry will register the selected authorized use at Retirement or when the “first transfer” condition is met.

2.2. Process of Authorization

- 2.2.1. CORCs are eligible for authorized uses under Article 6 of the Paris Agreement if they meet the necessary eligibility requirements.
- 2.2.2. In the case of applying for the authorization of CORCs for OIMP, there must be evidence that the CORCs meet the criteria of the selected international mitigation purpose.
- 2.2.3. In the case of requesting authorization for CORSIA, the following requirements shall be met:
 - a. The Puro Standard is approved by the ICAO Council to supply CORSIA Eligible Emissions Units for the corresponding compliance period of the issued CORCs.
 - b. The Registry shall record and show the eligibility status of the CORCs for CORSIA with the “CORSIA Eligible” label after receiving the appropriate authorization from the host country.
- 2.2.4. The designated authority of the host country must provide a Letter of Authorization (LoA) for a CO₂ Removal Supplier that wishes to supply CORCs to trade for NDC use or other international mitigation purposes (OIMP) that are part of a compliance market. For instance, authorization for CORSIA will be recorded under the OIMP Use field as “CORSIA”.
- 2.2.5. The designated authority of the host country could provide the LoA for other uses including the voluntary carbon market if this is required. This will be recorded under the OIMP Use field as “Other”.
- 2.2.6. The CO₂ Removal Supplier will make the LoA available to the Issuing Body as evidence of authorization and provide any updates issued by the host country to the information contained in the LoA.
- 2.2.7. Description of the Authorization Process.
 - a. Figure 1 is a diagram describing the responsibility of the different parties to the authorization and reporting of transfer and retirements CORCs used within the Article 6 framework. This process includes the application of Corresponding Adjustments.
 - b. The CO₂ Removal Supplier shall define the volume of CORCs and their vintage for which it wants to apply for a LoA.
 - c. The CO₂ Removal Supplier requests the LoA from the host Country. Later, it shares the LoA with the Issuing Body.

- d. The Issuing Body publishes in the Registry the LoA and identifies the volume of CORCs and their vintage available for trade under those conditions.
 - e. Once the first transfer conditions are met through the trade of CORCs, the host Country (and the using Country, when applicable) shall apply the corresponding adjustments to their national emissions balance. The first transfer conditions are described in Table 1.
- 2.2.8. A LoA must include the following information:
- a. Date of authorization.
 - b. Competent authority: The authority designated by the host Country to issue authorizations under Article 6 of the Paris Agreement.
 - c. Authority representative and its contact information: Name and title of the person executing the LoA and signing on behalf of the Authority, and his/her mailing address; phone number; email address.
 - d. Issuing program: Puro Standard, as the crediting program under which the production facility is listed or registered, or under which issuance is expected to occur.
 - e. Project identification: Production Facility Name and ID number as shown on the Registry.
 - f. Project Country: host Country or host country.
 - g. Authorized use(s): The host Country authorizes the mitigation outcomes, in the form of CORCs, for use towards:
 - i. NDC use labeled as "NDC".
 - ii. Other International Mitigation Purposes labeled as "OIMP". In addition, the OIMP uses are labeled "CORSIA" or "Other".
 - h. Specify volume of CORCs and/or time related limits to this authorization.
- 2.2.9. Define first transfer condition for corresponding adjustment (see Section 3.3 and Table 1):
- a. For multiple uses including NDC use: "First international transfer".
 - b. For "Other international mitigation purposes" (OIMP): certificate "authorization", "issuance", "trading" or "retirement".
- 2.2.10. The LoA shall serve as a written declaration by the host country to commit to apply the corresponding adjustments of the authorized CORCs when applicable.
- 2.2.11. The information included in the LoA will be part of the Registry and made publicly available.

2.3. Corresponding Adjustment

- 2.3.1. The conditions on which a host Country and a using Country must perform the corresponding adjustment of CORCs depends on the authorized use of the CORCs and the definition of the "first transfer" condition.
- a. The "first transfer" condition refers to the event that triggers a corresponding adjustment in the participating country's emission balance. This condition is defined under clause I.2 in the Annex of Decision 2/CMA.3, described below, and summarized in Table 1 of these Procedures.

- b. In the case of NDC use, the “first transfer” is always the “first international transfer” of the CORCs from the host country’s registry to another compliance program registry or the national registry of the using country.
 - c. In the case of OIMP, the “first transfer” condition could take place when the CORCs are issued, authorized for an OIMP use, traded for the first time (i.e., transferred) and/or are retired.
- 2.3.2. Only during the exercise of NDC use must both the host country and the using country perform the corresponding adjustments to their emissions balance.
- 2.3.3. The use of CORCs for other international mitigation purposes (CORSIA or Other) requires that the host country exclude the CORCs from their emissions balance.
- 2.3.4. The Issuing Body shall ensure that CORCs are retired for a single type of authorized use to avoid double claiming, and the corresponding adjustment are properly recorded and made publicly available through the Registry.
- 2.3.5. CORCs authorized for multiple uses including for NDC use that have been transferred for OIMP use are available in the Registry for trading unless the account holder retires those CORCs from the Registry. In addition,
- a. After “first transfer” for non-NDC use, the CORCs are no longer available for NDC use. This includes the holding of the CORCs by an intermediary reseller without retirement; this condition is considered as a form of use by the Issuing Body and is defined as “trading”.
 - b. After retirement, the Registry records the Article 6 authorized use and OIMP use as appropriate. This condition is equivalent to the “cancellation” of mitigation outcomes.

Table 1. Corresponding Adjustments to Country-level Emissions Balance.

Authorized Use	OIMP Use	First Transfer Condition	Corresponding Adjustment	
			Host country	Using country
NDC	NA	First international transfer	Country A, Exclude from their “emissions balance”	Country B, Include into their “emissions balance”
OIMP	CORSIA or Other	Authorization of use, certificate issuance, trading and/or retirement	Country A Exclude from their “emissions balance”	NA
NDC and OIMP	NA or CORSIA or Other	First international transfer or Authorization of use, certificate issuance, trading and/or retirement	Country A, Exclude from their “emissions balance”	In case of NDC use: Country B, Include into their “emissions balance”

Note: NA stands for “not applicable”.

2.4. Evidence of Application of Corresponding Adjustments.

- 2.4.1. The Issuing Body shall require evidence that the host country has applied relevant corresponding adjustments in accordance with the LoA and other relevant requirements under Article 6 of the Paris Agreement such as in the structured summary of its biennial transparency reports (BTR), as referred to in Paragraph 77, sub-paragraph (d), of Annex to decision 18/CMA.1 and consistent with relevant future decisions.
- 2.4.2. The Issuing Body shall make publicly available in the Registry the evidence of application of the corresponding adjustment when available.
 - a. This could be made possible by a link to the source of information or a copy of the relevant documentation.
 - b. In case the evidence of the corresponding adjustment is not available, the Issuing Body shall indicate in its Registry that the CORCs are Authorized for Article 6 but do not have evidence of its corresponding adjustment.
- 2.4.3. Until alternative means are established and identified, the CO₂ Removal Supplier shall be responsible for submitting evidence of Article 6 Reporting and Compliance to the Issuing Body with respect to CORCs issued to their project(s), using information made publicly available by the host country. This evidence shall include:
 - a. A copy of the host country's Initial Report or Updated Initial Report demonstrating the country's fulfilment of its responsibilities with Article 6 of the Paris Agreement requirements.
 - b. A copy of the host country's BTR following the "first transfer" of CORCs, in which the relevant corresponding adjustment has been applied and reported.
 - c. Other means by which the host country provides evidence of the application of the corresponding adjustments to uniquely identified CORCs.

2.5. Non-Application of Corresponding Adjustment by Host Countries.

- 2.5.1. The Issuing Body shall apply procedures to reconcile the information of its Registry for CORCs with authorized uses within the Article 6 of the Paris Agreement framework in the following cases:
 - a. No evidence of application of corresponding adjustments has been received one year after the host country was required to apply and report the corresponding adjustment of the affected CORCs.
 - b. Evidence of that the host country has withdrawn the authorization of use or a corresponding adjustment of the affected CORCs.
- 2.5.2. The Issuing Body shall consider any information received to explain why evidence of the corresponding adjustment of affected CORCs has not been or cannot be provided. This information could include:
 - a. A satisfactory justification that could postpone the reconciliation of non-adjusted CORCs in case there is evidence the host country intends to apply a corresponding adjustment. An example of this instance could include when due to timing differences between a host country submitting their Biennial Transparency Report

and receiving evidence to trigger a corresponding adjustment did not allow for the affected CORCs to be adjusted in the Report.

- b. In cases where no satisfactory justification has been provided, the Issuing Body shall provide notice to the relevant CO₂ removal supplier and/or the account holder(s) of the affected active or retired CORCs in the Registry and open a period of six months where the CO₂ removal supplier has the opportunity to provide or ensure the parties involved that the host country will apply a corresponding adjustment to the affected CORCs at the next available opportunity. If such evidence cannot be provided within this six-month period, the Issuing Body shall initiate a Reconciliation process as described next.
- 2.5.3. A Reconciliation process aims at avoiding double claiming of non-adjusted CORCs. This process starts six months after the Issuing Body provided notice to the relevant parties that there is no evidence that a corresponding adjustment will be applied to the affected CORCs at the next available opportunity.
- a. The Reconciliation process entails the retirement of an equivalent volume and value of CORCs that meet the requirements of the use-case for which the original CORCs were retired. For example, this could include CORCs authorized for OIMP that are CORSIA Eligible and need to be reconciled with CORCs authorized for similar use and equivalent permanence.
 - b. The parties involved in the Reconciliation process should follow the conditions set forth by the purchase agreements and/or bilateral agreements between parties of the Paris Agreement associated with the affected CORCs. The Reconciliation may be fulfilled through arrangements in place with third-party organizations such as insurance providers.
- 2.5.4. In cases where CORCs have been retired for non-compliance purposes, the parties involved in the Reconciliation process shall provide evidence to the Issuing Body of steps taken to reflect the impact of non-adjusted of CORCs in their public claims for voluntary purposes.
- 2.5.5. The Issuing Body will update the Registry with the outcome of the Reconciliation process within the restrictions of confidentiality. The evidence of changes to public claims associated with the non-adjusted CORCs shall be added to the affected CORCs in the Registry.
- 2.5.6. In case the affected CORCs were used for complying with CORSIA, the Issuing Body shall share the relevant information with the International Civil Aviation Organization (ICAO).
- 2.5.7. The Issuing Body may include other options for the Reconciliation process in the future.

2.6. Reporting on Authorized Uses

- 2.6.1. The Issuing Body shall communicate transparently, through the Registry and other public reports, the authorization of use and ensuing actions taken on authorized CORCs used towards:

- a. Meeting the NDC commitment of other countries than the host country of the CO₂ removal activity.
 - b. Complying with the obligations set under CORSIA by aeroplane operators.
- 2.6.2. To facilitate the comparison CORCs use against national reporting under the Paris Agreement, the Issuing Body shall publish on its website a report on the CORCs with authorized uses to enable host countries to fulfill their Reporting, Recording and Tracking obligations. This report includes information available in the Registry and shall:
- a. Submit the required information through an agreed electronic format (AEF) that facilitates information exchange and consistency checks between the Registry and the Article 6 database or other platforms set up to promote transparency, accuracy, completeness, consistency, and comparability (TACCC) in the implementation of Article 6 procedures.
 - b. Be published on an annual basis and prior to the 15th of April of each calendar year.
 - c. Provide project information subject to the confidentiality clauses presented in the Decisions of the CMA².
 - d. Provide record of the:
 - i. Authorizing host country and participating party in actions.
 - ii. Specify the unique identifier or certificate number, vintage year or issuance year, project name and ID, quantity, activity type, and sector.
 - iii. Authorization of use and first transfer definition.
 - iv. Transfer of authorized CORCs, including first transfer.
 - v. Retirement of authorized CORCs including beneficiary, using country (country of consumption), retirement purpose in accordance with the authorized use by the host country, and quantity of retired CORCs.
 - e. Provide any additional information which may include changes to or revocation of a LoA.

² Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.

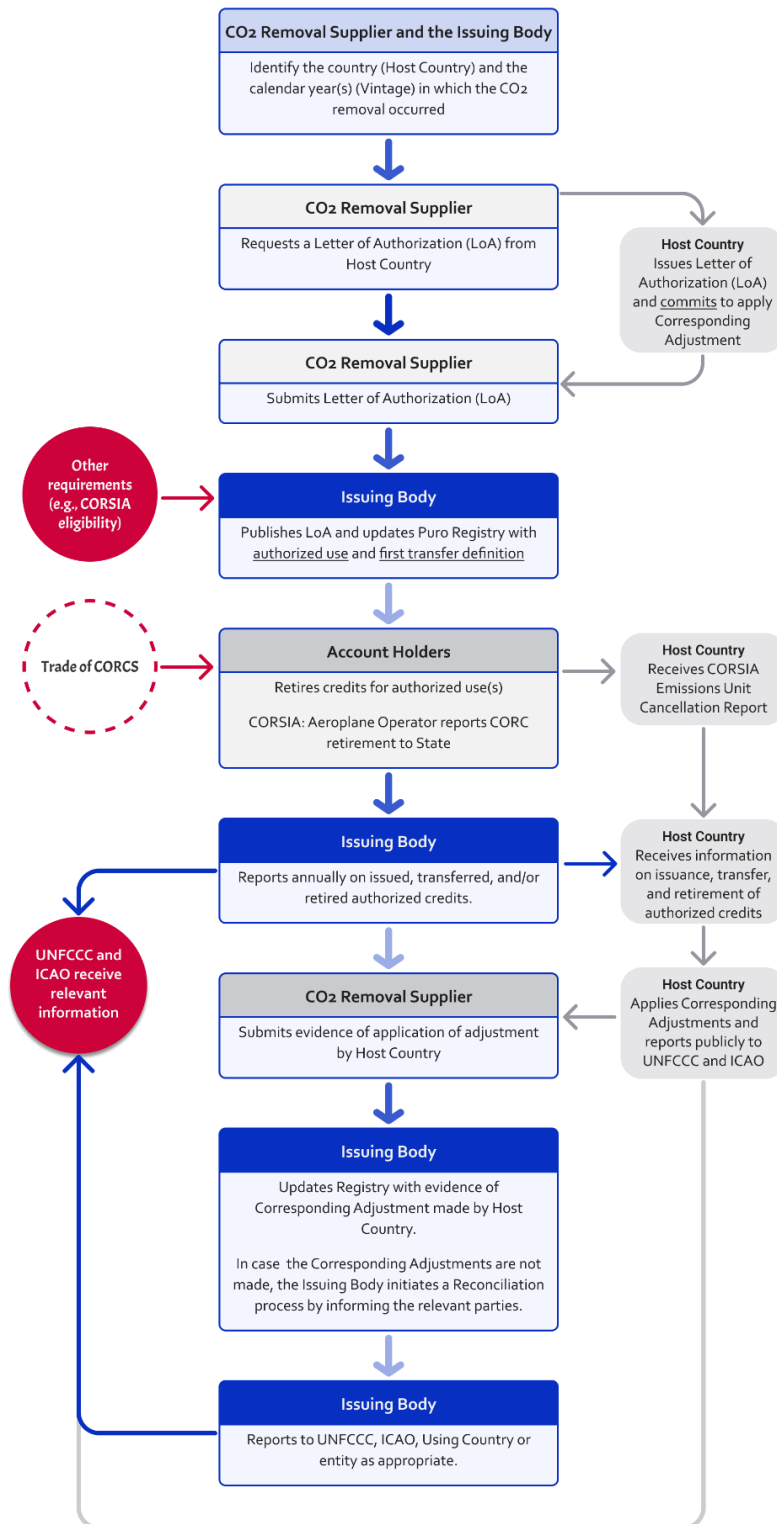


Figure 1. Steps in the use of CORCs under Article 6 and the responsibilities of the respective parties.

3. Limitation of Liability

The Issuing Body shall not be liable for any losses incurred by any claims whatsoever arising out of the labeling in the Registry of authorized uses of CORCs under Article 6 and/or CORSIA eligibility.

4. References

UNFCCC. 2021. Decision 3/CMA.3. Rules, modalities, and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.

5. Version History

Approval Date	Version	Notes
1 st February 2024	1.0	Approved revised text from Appendix A of General Rules D.4.0
12 th March 2024	1.1	Enhanced procedural description of corresponding adjustments. Added requirements on evidence of application of corresponding adjustments by host country, reconciliation to avoid the double claiming of non-adjusted CORCs, and provision for the performance reporting on CORCs with authorized uses under Article 6 of the Paris Agreement.
10 th May 2024	1.2	Included definitions under section 1 and made changes to numbering. Updated definition of “authorized uses” and their labeling (Table 1). Enhanced reporting procedures and flow diagram (Fig. 1)