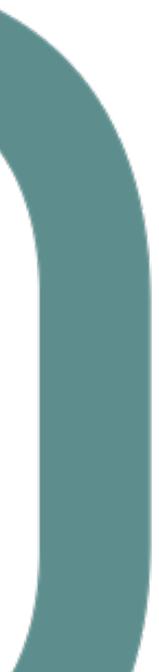


Article 6 Readiness Roadmap for Bangladesh

Approval by the A6 DNA of Bangladesh



This roadmap is prepared as a technical input for the Government of Bangladesh. The work benefited from the leadership shown by Dr. Abdul Hamid, Director-General, Mirza Shawkat Ali, Director (Climate Change and International Convention), and extensive input from Mr Md Harun Or Rashid, Deputy Director, International Convention, Department of Environment, Ministry of Environment Forest and Climate Change.

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Abbreviations and acronyms

BTR	Biennial transparency reports
CDM	Clean development mechanism
Ci-Dev	Carbon Initiative for Development
COP	Conference of the Parties
CO2	Carbon-dioxide
CPI	Carbon pricing instruments
DoE	Department of Environment
ERPA	Emission reduction purchase agreement
ER	Emission reductions
ETS	Emission Trading Scheme
GB	Governing Board
GHG	Greenhouse gas
IDCOL	Infrastructure Development Company Limited
ITMO	Internationally transferred mitigation outcome
LT-LEDS	Long-term low-emission development strategy
MACC	Marginal abatement cost curves
MoEFCC	Ministry of Environment, Forest and Climate Change
MOPA	Mitigation outcome purchase agreement
MRV	Monitoring, reporting, and verification
NDC	Nationally determined contribution
PACM	Paris Agreement crediting mechanism
PoA	Program of activities
RBCF	Results-based climate finance
SHS	Solar home system
TC	Technical Committee

1.0 Introduction

This roadmap for implementation of Article 6 Readiness Framework in Bangladesh is intended to support Bangladesh's readiness to engage in International Carbon Market Transactions under Article 6 of the Paris Agreement (A6). A6.2 helps to unlock international climate and carbon finance flows to support Bangladesh's climate ambitions.

Particularly, to support the authorization and transfer of internationally transferred mitigation outcomes (ITMOs) by referring A 6.2, Bangladesh, as a Party to the Paris Agreement, needs to have the capacity, governance arrangements and infrastructure to engage in the international carbon market under Article 6. Once Bangladesh's Article 6.2 readiness is established, Bangladesh will be able to benefit from increased capability of high integrity emission reduction credit supplies, increased flows of carbon finance, increased mitigation activity, and the associated economic and social benefits of these actions.

1.1 Definition of Article 6 (A6)

Article 6 (A6) of the Paris Agreement allows countries to cooperate voluntarily in implementing their nationally determined contributions (NDCs). Under A6 mechanisms, countries may trade mitigation outcomes, which enable finance flows from developed economies where mitigation options are expensive to emerging countries where mitigation options are cheaper but lack financing to unlock these mitigation opportunities. As such, A6 provides a way for international finance to be channeled to mitigation activities that might otherwise be difficult to implement. Article 6 is primarily discussed in relation to three main clauses that are relevant for international cooperation on climate change mitigation.

- Article 6.2 provides the basis for countries to participate in cooperative approaches. In 2021, the Parties to the Paris Agreement came to a consensus on guidance for Article 6.2 cooperation, including the participation and reporting requirements. The guidance specifies that corresponding adjustments must be made to account for the international transfers and avoid double-counting. Article 6.2 serves as an overarching framework for the international transfer of all mitigation outcomes (MOs) "authorized" by a host party, irrespective of the crediting mechanism through which the MOs are generated¹.
- Article 6.4 establishes the Paris Agreement Crediting Mechanism, a centralized international crediting mechanism that will issue carbon credits – Article 6.4 emission reductions (A6.4ERs) – as a successor to the clean development mechanism (CDM). A6.4 ERs must still be authorized, per Article 6.2 guidance, before they can be used towards another country's NDC or for other international mitigation purposes. The mechanism established under Article 6.4 is governed by the Article 6.4 Supervisory Body under the guidance of the Parties to the Paris Agreement².
- Article 6.8 establishes non-market approaches to help parties implement their NDCs. This includes cooperation through finance, technology transfer, and capacity building, where no trading of emission reductions is involved.

1.2 Understanding "Article 6 Readiness"

"Article 6 readiness" means the preparedness of a country to effectively participate in the international carbon market under Article 6 of the Paris Agreement. This means that all Article 6 requirements are met, and the country is prepared to authorize and transfer ITMOs. To understand Article 6 Readiness, it is important first to understand the building blocks of the A6 Readiness Framework. The building block includes policy and strategies, legal foundations and governance, operational procedures, infrastructure, and pilot activities (Figure 1).

¹ Decision 1 CP21: Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement.

² A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to this Agreement for use by Parties on a voluntary basis. It shall be supervised by a body designated by the Conference of the Parties serving as the meeting of the Parties to this Agreement

Figure 1. Building Blocks for Article 6 Readiness Framework

Building Blocks	Sub-elements
Policies and Strategies	<ul style="list-style-type: none"> • Carbon Market Strategy • Risk Management Strategy for NDC Alignment • Guiding Principles and safeguards • Eligibility Criteria for participating mitigation activities • Capacity Building Plan
Legal Foundations and Governance	<ul style="list-style-type: none"> • Legal Mandate and regulatory Framework • Governance Structure • Co-operation Agreements • Financial Procedures and Budget
Institutional Arrangements	<ul style="list-style-type: none"> • Establishment of Article 6 Focal Point Designated National Authority • Institutional arrangements to participate in Article 6.2 • Private Sector and third-party entity engagement
Operational procedure	<ul style="list-style-type: none"> • Guidance and support in mitigation activity cycle • Sourcing mitigation activity • Activity Approval • Validation • Issuance and Authorization • Corresponding Adjustment • Reporting • Tracking • Accreditation of Auditors • Participation in Paris Agreement Crediting Mechanism
Infrastructure	<ul style="list-style-type: none"> • Registry • MRV tools

Implementing this roadmap will support the government's Article 6 readiness and provide training for activity participants on how to navigate the Article 6 Regulatory Framework.

1.3 Article 6 Readiness Gap Analysis for Bangladesh

Assessment of the country's alignment with Article 6 of the Paris Agreement and the Paris Rulebook is important to understand the current context of the country and define the need for improvements. Bangladesh's alignment with A6 participation requirement is provided in Table 1 below.

Table 1 Article 6 participation and initial reporting requirements and current status of Bangladesh

Participation requirements		
It is a party to the Paris Agreement	Yes	Bangladesh has ratified the Paris Agreement on 21 September 2016
It has prepared, communicated, and is maintaining an NDC	Yes	Bangladesh has submitted its 1st updated NDC in August 2021
It has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs	No	Bangladesh is in the process of approval of the A6 Governance Structure. Carbon Market Framework is expected to developed by 2025
It has arrangements and infrastructure in place for tracking ITMOs	No	Registry is expected to be developed by 2024 and MRV system by 2025
It has provided the most recent national inventory report	Yes	Bangladesh has submitted the BUR1 on 25 Nov 2023 and NC3 in 22 December 2018. Bangladesh is planning to submit its first BTR by December 2024.
Its participation contributes to the implementation of its NDC and LT-LEDS, if it has submitted one, and the long-term goals of the Paris Agreement	Yes/No	Bangladesh has submitted NDC and made update as on 26 August 2021 but has not submitted LT-LEDS.
Initial Reporting Requirement		
Choose an ITMO metric and methodology	Yes	CO2 e is the metric indicated in the NDC
Choose the method for applying corresponding adjustments (Define accounting approach for single- and multi-year targets)	No	Bangladesh has not decided to choose any methods specified in Decision2/CMA3, annex, paragraph 7
Describe and quantify the NDC	Yes	Quantitative targets are set in NDC

1.4 Objective of the roadmap

This roadmap sets out a list of actions for the Government of Bangladesh (GoB), to undertake in the next three years to address identified gaps in meeting the requirements to achieve Article 6 readiness, and unlock international climate and carbon finance flows, under Paris Agreement mechanisms.

This roadmap will also highlight the role of key stakeholders, including private sector participants, financial institutions and academia, whose active participation is crucial to the crafting of a comprehensive and fit-for-purpose A6 framework for the country.

A proposed approach towards preparing Bangladesh for A6 readiness entail three key steps, which is to be implemented within a period of three years. First year's readiness activities have been designed to implement a pilot transaction under Article 6.2. The full-fledged implementation of the A6 Framework has will be conducted in second and third year.

Figure 2. Three-year action plan to prepare Bangladesh to be A6 ready



1.5 Structure of the Roadmap

The roadmap for implementing the A6 Readiness Framework, built around the key building blocks and initial gap assessment for Bangladesh's A6 readiness, is defined in four main chapters.

Chapter 2 provides the key building blocks and sub elements under each of the building blocks of the Article 6 Readiness Framework. Detail description of the sub elements are provided for in depth understanding of what the country needs to achieve to implement the Article 6 Readiness Framework.

Chapter 3 outlines the Activities required to undertake a Pilot Transaction.

Chapter 4 provides the Activities required for full-fledged implementation of the A6 Readiness Framework

Chapter 5 provides the Timeline for Road map implementation based on the activities stated in Chapter 2&3

2.0 Building Blocks of Article 6 Readiness

A6 readiness can be structured across five pillars: (1) Policies and Strategies; (2) Legal Foundations and Governance; (3) Institutional Arrangements; (4) Operational Procedures; and (5) infrastructure. This section discusses what is required under each of the pillars.

2.1 Policies and Strategies

A6 needs to be underpinned by national policies and strategies to implement A6 Readiness. Key policies and strategies may include (1) Carbon Market Strategy; (2) Risk Management Strategy; (3) Guiding Principles and Safeguards; (4) Eligibility Criteria for participating mitigation activities; and (5) Capacity Building Plan.

2.1.1 Carbon Market Strategy

A Carbon Market Strategy defines the objective and scope of engaging in Article 6, including the type of cooperation the country wishes to engage in. This may include an assessment of options for engagement, costs, and trade-offs related to engagement in Article 6.

The key contents of the Carbon Market Strategy include:

- Strategic objectives the country wish to pursue with cooperation under Article 6
- Type of engagement of the country i.e. engages in Article 6.2 and/or 6.4.
- Identify the intention and/or strategy for use of Article 6: (1) 'Pure seller', i.e., country uses Article 6 to access international carbon finance; (2) 'Pure buyer', i.e., country uses Article 6 to meet its emission reduction targets; or (3) 'Mixed strategy', i.e., country uses Article 6 both ways, allowing private sector to invest in foreign credits sold on international markets or realizing mitigation potentials through the purchase of credits generated elsewhere.
- The role VCM activities in the national Article 6 engagement
- Eligible sectors and activities that might be relevant to consider in engaging Article 6 mechanisms. (Might be different for Articles 6.2 and 6.4)
- Intended uses of carbon credits that are authorized as Internationally Transferred Mitigation Outcomes (ITMOs)
- Accounting strategy for any non-quantified mitigation targets (e.g., policy measures or other milestones) in the context of the NDC and the implications of different accounting options.
- Stakeholder Mapping of market participants or players (e.g. brokers, validators, verifiers, private carbon crediting programs, crediting agencies, banks and other financial institutions, carbon credit buyers etc.) that need to be considered when participating in Article 6 mechanisms. This would help to determine demand and supply of credits, the pipeline of activities as well as challenges and training needs
- Interlinkage with NDC and MRV Framework and other relevant existing policies

2.1.2 Risk Management Strategy for NDC Alignment

The GoB must ensure that by participating in Article 6 they maintain sufficient low-cost mitigation opportunities to meet their own NDC goals. Risks that the GoB faces when transferring MOs that might jeopardize their own NDC goals are referred to as "overselling risks". The most common overselling risks include transferring MOs from activities that are (1) based on low-cost activities that are needed for the unconditional NDC; (2) not additional; (3) not properly captured in the national inventories (lack of inventory visibility);

The GoB must understand and assess these risks to make decisions about activities that might be eligible for participation in Article 6.

Furthermore, a host party needs to assess the overselling risks of a mitigation activity type in the context of its NDC in order to select an appropriate risk management strategy then.

For mitigation activities with high risk of overselling, Bangladesh may choose to create a “negative list” or “red list”. This means that the host party will proactively identify the activity types that clearly present high or very high risk and exclude them from Article 6 cooperation. A negative list would also ensure that Bangladesh will not have to replace activities with higher-cost ones if these mitigation interventions are used as the basis for transfers under Article 6 and therefore subject to corresponding adjustments.

For activities posing a medium risk of overselling, such as those with potential overlap with NDC unconditional actions, several key strategies can effectively manage these risks. These strategies, which are not mutually exclusive and can be used in various combinations, include: 1) establishing baselines derived from NDC targets, ensuring that only outcomes exceeding NDC goals are eligible for transfer; 2) sharing MOs by authorizing only a portion for transfer; 3) implementing limited crediting periods to restrict the years for transfer, allowing for further use towards future NDC goals; 4) setting an overall cap on authorizations, either for specific activity types, sectors, or the entire country, to control the quantity of outcomes transferred; and 5) charging a fee to support additional in-country mitigation activities, providing supplementary support alongside ITMO payments. These strategies offer flexibility for host parties to tailor approaches based on simplicity and low administrative costs, and help to mitigate overselling risks.

For activities with low overselling risks that are also strategic or aligned with national priorities, Bangladesh might choose to develop a “positive list” or a “green list”. The purpose of a positive list is to signal to activity participants the activity types that are national priorities and would either be automatically authorized or exempt from certain authorization or approval requirements. To create a positive list, therefore, the host party needs to identify which activity types not only have low risks of overselling but also are aligned with national policies priorities and bring significant co-benefits to the country. Positive lists could include activities listed in the host Party’s conditional NDCs, or activities that have higher mitigation costs. The host party should be confident that authorizing proposed activities on the positive list would not require any additional review or further analysis, since the impacts of these activity types have already been identified and analysed.

2.1.3 Guiding Principles and safeguards

This sub-element refers to defining and reviewing core guiding principles (beyond NDC alignment) that are important for the country and that need to be respected in all steps and procedures for Article 6 engagement. This typically includes matters like standards and principles for ensuring environmental integrity, contribution to sustainable development targets of the country and safeguarding against risks.

The guideline should be aligned with the NDC and/or other key policy documents (e.g. national development plans, climate change policy, etc.) that provides about sustainable development objectives and principles for environmental integrity as they can be used as a starting point to define guiding principles to participate in carbon markets such as Article 6 mechanisms. Common guiding principles include: Only sell additional mitigation, credible baselines, avoid double counting, etc.

2.1.4 Eligibility Criteria for participating mitigation activities

Bangladesh needs to define eligibility criteria for selection of crediting mechanism, choice of methodologies, and to define what activities (e.g. technologies, sectors) are eligible under Article 6 in the country and what mitigation outcomes resulting from the activities are eligible to be internationally transferred (ITMOs). The eligibility criteria need to be closely aligned to the NDC and overall Article 6 strategic considerations of the country.

Bangladesh may choose either of the following options or a mix of them to define the Eligibility criteria

The first approach provides a specific "positive" list of the activities and technologies that are eligible to generate ITMOs. In addition to identifying eligible activities, a “negative list” of activities from which mitigation outcomes will not be authorised can also be identified. Positive lists can be drafted based on NDC commitments, risk of over selling and on other national priorities, such as technology transfer.

The second approach advocates for establishing broad eligibility criteria for activity approvals. This broad eligibility criteria may deal with sectors within or outside of the country's NDC, NDC achievement, additionality, environmental integrity, SDG goal or other categories. The eligibility of activities and mitigation outcomes is then determined on a case-by-case basis through the approval and authorization process after determining the impact of the activity on NDC achievement.

The third approach is more targeted to control authorization and avoid the overselling of ITMOs. Abatement costs are used to evaluate the economic efficiency of different mitigation options by comparing the expenses involved in reducing emissions for each approach. In this approach the country may set an abatement cost threshold. Any activity whose abatement cost is above the threshold is deemed eligible.

2.1.5 Capacity Building Plan

A detail plan identifying the capacity building needs across various building blocks of the A6 Readiness Framework needs to be developed. The Capacity Building Plan should provide timeline for Trainings and Workshop for government and key stakeholders about Article 6 Readiness Framework.

Therefore, this sub-task includes training sessions (workshops) for the DoE and other relevant ministries on identifying and managing overselling risks.

2.2 Legal Foundations and Governance

2.2.1 Legal mandate and regulatory framework

Ministry of Environment Forest and Climate Change (MoEFCC) played the role of Designated National Authority for the Clean Development Mechanism (CDM). MoEFCC has communicated to the UNFCCC Secretariat and Article 6.4 Supervisory Board that it will continue to act as the DNA for Bangladesh for Article 6.4. However, no Act or Law exists to provide a legal reference reading the Authority of MoEFCC to act as the Article 6 DNA in Bangladesh. The Government needs to provide clear legal mandate to enable MOEFCC to engage in Article 6 and conduct decision making related to Article 6. This may be done for all relevant institutions at once by a Gazette Notification or in a stepwise approach where first, MoEFCC is appointed as the Article 6 focal point and then convenes relevant government actors who determine decision making responsibilities. Defining legal mandates and the regulatory framework for Article 6 are directly linked to institutional arrangements, as they provide the legal legitimation for institutions to engage in Article 6 according to the defined roles and responsibilities. It is further the basis to receive required funding and capacities required to operate.

The country's legal framework should clarify the primary rights of ownership of MOs, to establish an appropriate legal chain to ensure that the relevant actor in the host country has the legal title to sell and transfer the mitigation outcomes generated through Article 6 activities. In most jurisdictions, it is assumed that the owner of a mitigation activity owns the ITMOs being generated through the activities. If this is not yet clear in Bangladesh, then the country should clarify the existing laws, rules and regulations that establish climate targets and ownership of natural resources.

2.2.2 Governance Structure

The setting up of institutional and governance arrangements must reflect the needs of the Article 6 rulebook. For host parties like Bangladesh, this requires taking on additional roles and increased responsibilities to meet the requirements under Article 6.2 and the Paris Agreement crediting mechanism (PACM) (i.e., Article 6.4).

The proposed arrangement for the Article 6 Governance Structure has been approved by a Gazette Notification issued by the Ministry of Environment, Forest and Climate Change (MoEFCC), on behalf of the Government of Bangladesh on 27 June 2024. This formalized the institutional arrangements for Article 6 mechanisms and outlines the structure of the Designated National Authority (DNA), consisting of a Governing Board (GB), Technical Committee and a DNA Secretariat.

The GB, chaired by the Secretary, MoEFCC will consist of several permanent members and additional members of relevant line ministries who are invited based on the nature of the Article 6 project under consideration. The DNA Secretariat contains the Technical Committee (TC) and the Secretariat. The TC will house several permanent members and additional members of relevant agencies and individual experts, who will be invited based on the Article 6 project under consideration. The DNA Secretariat carries out most of the day-to-day administrative functions of the Article 6 framework. See Annex A for the detailed institutional arrangements proposed for Bangladesh. Further details on the roles and responsibilities of the A6 DNA in Bangladesh is presented in Annex A.

To ensure that all government institutions that are impacted by Article 6 are represented and that ownership and oversight is ensured. Often this is reflected in mandates for line ministries that would be involved in Article 6 (composition of oversight body, general roles and responsibilities on government level) and should be in line with the legal mandates and regulations under Article 6 (see above).

2.2.3 Cooperation Agreements (e.g. bilateral agreements)

Cooperation agreements build the basis for cooperations under Article 6.2 with the aim to transfer Internationally Transferred Mitigation Outcomes (ITMOs). As any activities under cooperation agreements and especially the transfer of ITMOs directly relate to the NDCs of the countries involved, a close alignment to the NDC is very important when preparing and enacting details of such cooperation agreements. This sub-element refers to facilitating negotiations for cooperation agreements under Article 6.2 with other countries and help finalizing such agreements.

2.2.4 Financial procedures and budgeting

To define and ensure legal foundation for the availability of financial resources required to operate Article 6 including budgets for governance, administration and operation. The financial framework for Article 6 engagement should reflect the specific requirements of Bangladesh and be closely aligned to the NDC targets and strategic approach to achieve the NDC.

Defining financial procedures and budgeting for Article 6 is directly linked to institutional arrangements, as they provide the financial resources for involved institutions to engage in Article 6 and ensure operation in line with their roles and responsibilities. Ideally the budgeting and financial procedures should be aligned to the institutional arrangements and operational procedures or vice versa.

Under this sub-element Bangladesh needs to achieve the following

- Assess financial needs (e.g. financial needs for covering administrative processes; etc.), existing funding sources and financing resources/mechanisms of the NDC
- Develop a pricing strategy for Internationally Transferred Mitigation Outcomes (ITMOs)
- Technical guidance on high-level options for administrative fees

2.3 Institutional Arrangements

2.3.1 Set-up and support for the Article 6 focal point

To empower the institution or person(s) that should act as Article 6 focal point and coordinate the operation processes related to Article 6. This also includes providing support in equipping the focal point with the required knowledge and resources.

Institutional arrangements need to ensure the following:

- Article 6 staff is connected to other NDC related staff at the adequate formal level (e.g., through a seat on relevant committees, the same department, physically close offices, networks, etc.).
- Article 6 staff is connected to staff responsible for MRV under the Enhanced Transparency Framework, and the Greenhouse Gas Inventory.
- Integrating the NDC governance approach with Article 6 governance is critical.
- Consider the funding and the financial arrangements to maintain operation
- Capacity building and technical training for focal point

2.3.2 Institutional arrangements for participation in Article 6

To define all relevant institutional roles and responsibilities for participating and operating under Article 6. 'When setting up institutional arrangements for Article 6.2, defining an article 6 strategy is key to assign responsibilities.

- Define which institution is responsible for negotiating and concluding bilateral agreements with partner governments. Bangladesh has recently established Bangladesh Climate Development Platform, an inter-ministry governing body, led by Prime Minister's Office to mobilize financing support at speed and scale and facilitate low carbon and climate resilient development. The institutional arrangements with BCDP regarding finance mobilization for NDC implementation and Carbon project devolvement need to be set up.
- Define which institution is responsible for authorizing emission reductions/removals, including emissions reductions (Article 6.4ERs), to become Internationally Transferred Mitigation Outcomes (ITMOs). This responsibility could be given to the Article 6 authority.
- include safeguards, in particular into the authorization process (e.g. requirement to consult with relevant ministries/ national institutions beforehand)
- Consider the alignment of roles and functions required for Article 6.2 roles and functions related to other MRV process, e.g. national/sectoral MRV and Enhanced Transparency Framework and define their interlinkages.
- Check the regulatory needs to set up the institutional arrangement, especially if there is any existing mandate that enables the correspondent authorities to perform the functions required to participate in Article 6.2.

2.3.3 Private sector and third-party actor engagement

This sub element refers to identification and engagement with other relevant actors about Article 6. This includes supporting private sector and other potential activity developers, identify and approve third party stakeholders like auditors that would be required to operationalize Article 6. The sub element may include the following

- Identification of relevant stakeholders and third-party actors
- Identification and approval of third-party auditors
- Capacity building and training activities for the private sector (project developers) or other relevant stakeholders
- Facilitate interactions with private sector, activity developers and other third-party actors.

There are also needs to be legal procedures/regulations that regulate stakeholders' participation (e.g. activity developers, third party auditors), giving them certain rights and responsibilities. The regulation (s) may need to consider:

- Carbon property rights/titles
- Land rights and structural arrangements that might influence the development of a mitigation activity.
- Indigenous communities rights regarding benefit distributions when participating in mitigation projects or national programs.
- Grievance mechanisms

It is also advisable to have operational procedures, which include clear processes and tools that ensure stakeholder participation (e.g. stakeholder consultation, procedure for grievance mechanisms)

2.4 Operation Procedures

2.4.1 Guidance and support in mitigation activity cycle

This sub-element is an overarching step that includes all subsequent sub-elements in this building block. As a starting point, it is important to understand and define procedures and tasks required for all steps of a mitigation activity (from sourcing to approval up to issuance and authorization of mitigation outcomes). A typical mitigation activity cycle includes approval of activities, validation, verification, registering, issuance, authorization, corresponding adjustments, reporting, etc.

Key outputs under this sub-element are as follows

- Needs assessment to identify operational procedures required for the whole activity cycle in the country to engage in Article 6
- Technical report outlining the procedures required, workplan for implementation and timeline to implement procedures
- Capacity building/training on staff about key steps and procedures required for the Article 6 activity cycle

Bangladesh needs to ensure that participation requirements to engage in Article 6 are fulfilled and legal foundation (legal mandates) in place before detailing out operational procedures. Operational procedures involve processes, required funding and responsibilities that need to go hand in hand to ensure that the procedures defined can be operated in practice.

2.4.2 Sourcing and piloting mitigation activities

Next, the A6 DNA needs to define and set-up procedures for identifying potential mitigation activities and activity developers and to allow for piloting of activities to create know-how and make experience. This may also help to build trust for Article 6.

The key outputs under this sub elements are

- To define procedures for sourcing of potential Article 6 mitigation activities
- Technical support in sourcing/identifying potential mitigation activities and partner organizations (public/private, national/international)
- Technical support for developing pilot activities (e.g. developing Mitigation Idea Notes, Mitigation Activity Design Documents, etc.)

2.4.3 Activity Cycle procedures

There are various steps that the A6 DNA needs to undertake to support the implementation across activity cycles. The key steps are listed below.

Activity approval

The A6 DNA needs to set up procedures and criteria for approving activities as Article 6 activities. Procedures include information to be provided by activity developers, responsibilities, timelines, interactions with activity developers, templates. This may include different stages of approval (e.g. Letter of Intent, Letter of Approval).

Validation

The A6 DNA also needs to ensure that activity is technically eligible as Article 6 activity in the country. This is often supported by third party auditors. Countries need to oversee validation of Article 6 activities.

Issuance & Authorization

The A6 DNA will have to define procedures for issuance of mitigation outcomes and for authorizing mitigation outcomes as Internationally Transferred Mitigation Outcomes (ITMOs) that can be internationally transferred. This includes what information is required from activities, procedures and timelines, the timing of authorization, templates (e.g. for requesting authorization by activity developers and authorization letter by Article 6 representative of the host country).

The process for issuance of mitigation outcomes and the authorization of Internationally Transferred Mitigation Outcomes (ITMOs) is directly linked to the NDC and the decision on what mitigation outcomes would be eligible by the country as ITMOs. The issuance and authorization process needs to include criteria that ensure alignment with the NDC.

The issuance and authorization is also linked to the MRV procedures, as any issuance of mitigation outcomes and the authorization of Internationally Transferred Mitigation Outcomes (ITMOs) require tracking and reporting according to international Article 6 rules under the Paris Agreement. The A6 DNA will have to take into consideration, and validate all these factors before making the decision to endorse the approval, validation, issuance and authorization of mitigation outcomes.

2.4.4 Corresponding adjustments

As a next step, the A6 DNA has to define requirements and procedures for conducting corresponding adjustments and ensure interlinkages with GHG inventories, NDC, MRV system.

The process for corresponding adjustments is directly linked to the NDC and the GHG inventory of the Bangladesh. Defining procedures for applying corresponding adjustments need to reflect the alignment to the NDC and how Article 6 and NDC reporting is being aligned.

Corresponding adjustments are directly linked to the MRV procedures, as corresponding adjustments of Internationally Transferred Mitigation Outcomes (ITMOs) require tracking and reporting according to international Article 6 rules under the Paris Agreement.

Operational procedures for corresponding adjustments will require an appropriate level of infrastructure that should be closely aligned to national, sectoral GHG inventory, NDC and GHG inventory related tracking systems, data bases (if any) and fulfil the requirements for reporting and tracking under Article 6 and the Paris Agreement.

2.4.5 Reporting

The A6 DNA needs to define requirements and procedures for ensuring proper reporting of Article 6 operations (on activities, mitigation outcomes and other impacts like on sustainable development) and ensure fulfilment of Article 6 requirements on reporting (initial report, annual report). It also includes ensuring consistent reporting between Article 6 and the Enhanced Transparency Framework (ETF).

Bangladesh may need to develop a Monitoring, Reporting and Verification (MRV) system manual (for GHG, non-GHG impacts) and relevant IT infrastructure.

The process for Article 6 reporting is directly linked to the NDC and national reporting under the Enhanced Transparency Framework (ETF) of the Paris Agreement. For Article 6 reporting, systems need to be used that are closely aligned to NDC and GHG inventory related reporting and fulfil the requirements for reporting under Article 6 and the Paris Agreement (see also NDC alignment).

2.4.5 Tracking

The A6 DNA also needs to define and implement procedures for tracking Article 6 activities and related mitigation outcomes and e.g. to mitigate the risk of overselling of Internationally Transferred Mitigation Outcomes (ITMOs), as this may risk the achievement of the own NDC.

The process for tracking Article 6 activities and related mitigation outcomes (and Internationally Transferred Mitigation Outcomes (ITMOs)) is directly linked to MRV procedures and the NDC and national tracking and reporting requirements under the Enhanced Transparency Framework (ETF) of the Paris Agreement.

Bangladesh may need to develop a Manual for tracking procedures for Article 6 mitigation outcomes (GHG and non-GHG) and activities.

2.4.6 Accreditation of auditors

The A6 DNA will need to define and implement procedures for assessing, approving and/or accrediting and overseeing third party auditors that would help in different stages of the activity cycle (e.g. during validation and prior to issuance of mitigation outcomes).

2.4.7 Participation in Article 6.4 mechanism

The A6 DNA needs to ensure compliance with the participation responsibilities under the Article 6.4 mechanism, communicating eligible activity types and how participation in Article 6.4 mechanism contributes to the NDC and to SD to the Article 6.4 Supervisory Body.

The activity methodologies used for Article 6.4 mechanism need to be aligned with the NDC, e.g. sectoral mitigation scenarios vs. project baselines and mitigation potential. The engagement in Article 6.4 needs to be in line with the NDC and should contribute to achieve the NDC targets of the country. The participation requirements for Bangladesh to engage in Article 6.4 need to be fulfilled.

2.5 Infrastructure

2.5.1 Tracking system (e.g. registry) of activities and/or mitigation outcomes

A registry is an information system for tracking ITMOs, including information on their unique identifiers, authorization, transfers, acquisition, use for NDC purposes, authorization for use for other international mitigation purposes, and voluntary cancellation (including overall global emissions mitigation, if applicable). The Article 6 rules and procedures require having these arrangements in place for tracking ITMOs.

The rules and procedures also require that Bangladesh must have, or have access to, a registry for the purpose of tracking ITMOs or that the UNFCCC Secretariat must implement an international registry for Parties that do not have or do not have access to a registry. If it meets the required functions, a registry can be a simple tool where the necessary information is recorded, or a complex system that allows different users to enter information and that connects with other information systems, or even with registries in other countries.

Bangladesh needs to define and implement systems for tracking Article 6 mitigation activities, mitigation outcomes, authorization of Internationally Transferred Mitigation Outcomes (ITMOs) and other relevant information.

Setting up an Article 6 tracking system requires a close alignment to the NDC and national reporting requirements under the Enhanced Transparency Framework (ETF) of the Paris Agreement and any existing and planned tracking systems (national MRV systems) related to the NDC.

2.5.2 MRV tools

Detailed tools (e.g. data collection, management, reporting, storage) and guidelines for collecting, monitoring, reporting, store data about GHG emissions reductions needs to be established

Key outputs under this sub element are

- MRV tool design and testing
- Capacity Building in MRV tools used in carbon markets

Article 6 specific MRV tools require a close alignment to other MRV and reporting requirements under the Enhanced Transparency Framework (ETF) of the Paris Agreement and national MRV systems planned or already in place.

MRV tools need to be managed, operated and administered. Therefore, decisions on which institutions need to operate and administer the systems would be required.

3.0 Pilot Activity for Capacity Building (Phase 1)

As part of the readiness preparations, a pilot transaction is planned that will allow to undertake several activities across different readiness building block that are necessary to successfully conduct the pilot transaction. This section discusses key aspects of the pilot transaction, details the progress to date and lists some of the next steps.

Ci-Dev is currently working with Bangladesh to use the successful Clean Development Mechanism (CDM) Programme of Activities (PoA) for solar home systems (SHSs) in Bangladesh as a pilot activity for Article 6 cooperation. The original CDM activity started in 2012 and focused on providing electricity to households and other users in Bangladesh that have no access to the power grid, through implementing SHSs. Infrastructure Development Company Limited (IDCOL) is the technical implementation partner of the program, which has installed over two million SHSs with an expected greenhouse gas (GHG) emissions reduction of over one million tons of CO₂ by 2025.³

As per Ci-Dev requirements, conditions to sale and purchase Emission Reductions (ERs) under the Ci-Dev ERPA with the pilot IDCOL SHS transaction include:

- the execution of the execution of the Host Country Agreement (HCA) between the Trustee of Ci-Dev and the Host Country represented by the relevant governmental authority (DOE/MOEFCC)
- the issuance of the Letter of Approval by the Host Country which shall notably confirms that the Host Country approves the Bangladesh project under the Ci-Dev Standardized Crediting Framework (SCF),
- the submission of evidence demonstrating PE's ability to transfer title to ERs,

the execution of Subsidiary Agreements would all be required before transfer of ERs/payment can be made to the Program Entity under the ERPA.

Technically speaking, the SCF ERs to be purchased by Ci-Dev are yet-to-be-authorized ITMOs. However, these SCF ERs have a pathway to become ITMOs provided that they can be authorized by Bangladesh referring to country's A 6 technical/regulatory/policy ecosystem.

Task 1: Setting up Policies and Strategies for the pilot activity

This task will focus on setting up the key policies and strategies that are required to carry out the pilot transaction including development of the A6 Readiness framework, development of risk management framework, development of eligibility criteria and authorization criteria and capacity building plan for the pilot transaction.

Develop Article 6 Readiness Roadmap: framework for implementation.

The current document presents a comprehensive framework for implementing Article 6 in Bangladesh, including how to accelerate Bangladesh's progress using a pilot SCF/Article 6 equivalent transaction based on the IDCOL SHS program. This activity is mentioned here to show the place and timeline of the Roadmap development in the context of the later activities that are part of Article 6 implementation (see timelines and budgets).

Develop framework for risk management

This sub-task includes:

- developing an overselling risk assessment methodology: the methodology as an integral part of the SCF that will be established by the GoB with the support of the WB, hence it serves as an integral part of the A6 / Carbon Market Infrastructure established and owned by the GoB, and can be applied in any future projects using the same technology.

³ IDCOL is not installing any more SHSs in Bangladesh.

- assessing and selecting appropriate mitigation strategies for activity types with medium-low, medium or medium-high overselling risk.

A key output will be development of a guideline for risk management to be adopted by the DNA GB.

Develop framework for eligibility criteria

This sub-task includes:

- Consultation with MoEFCC regarding different options of eligibility criteria selection as stated in section 1.1.4 to assist them in selection of crediting mechanism and to define what mitigation activities (e.g. technologies, sectors) are eligible under Article 6 in the country and what mitigation outcomes resulting from the activities are eligible to be internationally transferred (ITMOs).
- developing a screening process for identifying eligible mitigation activities that are most suitable to be promoted through Article 6 carbon markets; and

The key output will be development of a guideline for eligible mitigation activities and eligible methodologies to be adopted by the DNA GB.

Develop Capacity Building Plan for Phase 1 activities

The sub-task will include development and implementation of a capacity building plan for the pilot phase that may include

- Training of TC and DNA GB members on the eligible criteria and risk management strategies
- Training of TC members on the methodology development and approval process
- Training of TC and DNA GB members on the project cycle activities, rules, tools, templates and approval process

Training of IDCOL staff on the project cycle activities, rules, tools, templates and approval process will be a key element of this element.

Task 2: Setting up legal foundations and governance

This section outlines the foundational steps necessary for the successful initiation and execution of the pilot activity.

Support the Government to provide legal mandate to DNA for A6 decision making

The Government needs to provide clear legal mandate to enable MOEFCC to engage in Article 6 and conduct decision making related to Article 6. The task will support MoEFCC to issue a Gazette Notification legalizing the establishment of Article 6 Designated National Authority for Bangladesh.

Setting up Article 6 Governance Structure.

On the 8th of November 2023, a workshop was conducted by the World Bank consulting team at the Department of Environment (DoE) office in Dhaka, with Dr. Abdul Hamid, Director-General of the DoE, overseeing the proceedings. The World Bank team presented the proposed institutional framework, based on their expertise with developing institutional arrangements for Article 6 frameworks in several countries. The workshop concluded with the submission of a technical note on institutional arrangements by the World Bank on 26th November 2023. On 30th April, an Interministerial meeting was conducted and proposed A6 Governance structure was discussed. The proposed A6 Governance Structure, which has been endorsed by the Government of Bangladesh through a Gazette Notification is provided in Annex A.

Task 3: Setting up Institutional Arrangements for the Pilot Activity

Assess confirm legal ownership of ERs and MOs under existing regulations

The signing of an emission reduction purchase agreement (ERPA) and/or mitigation outcome purchase agreement (MOPA) would provide financial certainty to IDCOL and enable the mobilization of the pilot activity. However, it must be clear that the signatory on behalf of the government of Bangladesh has a legal mandate to do so. This sub-task will provide an assessment of existing mandates within Bangladesh to sign ERPAs/MOPAs. The assessment will consider, inter alia:

- National regulations that oversee carbon-related activities, including the context of CDM activities.
- Circumstances surrounding the signing of similar agreements in the past.
- The scope of the mandate provided by the Minister of Environment, Forest and Climate Change (MoEFCC) regarding such transactions.

Hence, this sub-task will include:

- Assessment of the climate change laws and regulations governing the ownership of natural resources to assess the regulatory landscape for ERs and removals.
- Assessment of the legal ownership of the ERs and MOs to be generated through the IDCOL activity.

Setting up Institutional Arrangements for pilot Transactions under Article 6

This subtask will support the negotiation phase for the pilot transaction that marks a critical juncture in the project's progression, requiring planning and coordination to ensure successful outcomes. Within this task, the World Bank will work with government of Bangladesh to (1) prepare to negotiate and sign the host country approval (HCA) and (2) prepare to negotiate and sign the ERPA. These sub-tasks encapsulate the essential groundwork needed to navigate the complexities of securing approvals and agreements vital to the pilot transaction's execution.

This sub-task will include:

- Prepare to negotiate and sign the HCA with DNA GB
- Prepare to negotiate and sign the ERPA with IDCOL

Task 4: Setting up Operational Procedures for the pilot activity

Develop rules and procedures needed for IDCOL pilot activity transaction

This sub-task would set up normative documents for the pilot SHS activity and support Bangladesh in adopting these rules. Typically, the following normative documents will be developed as part of this sub-task:

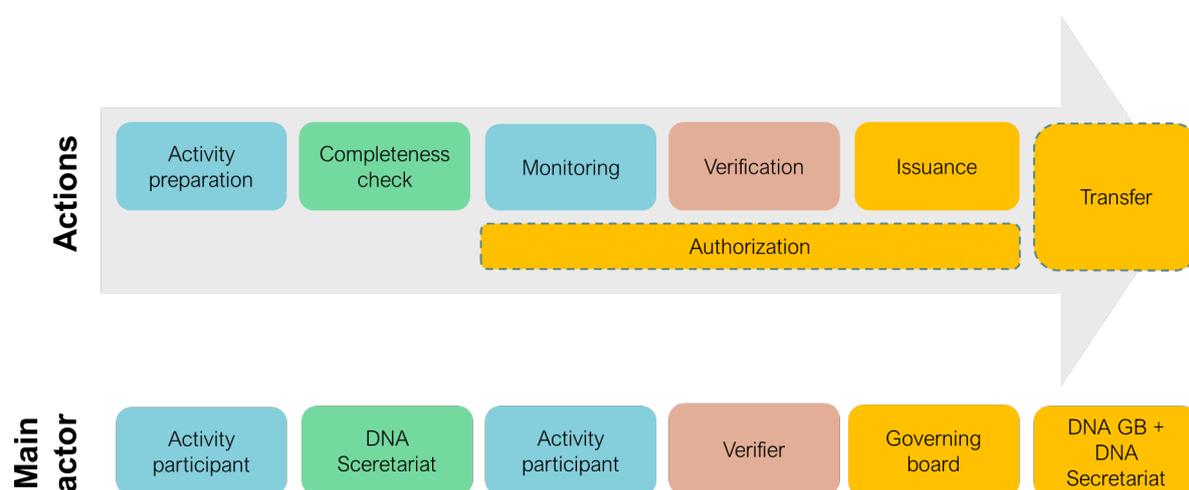
- Program Standard – The overall crediting standard that includes the governance arrangements and high-level guidance.
- Methodology – Like a CDM methodology or voluntary carbon market standard methodology, the detailed rules for setting a baseline, demonstrating additionality, quantifying ERs and monitoring ERs, but with significant streamlining and standardization using country-specific default parameters.
- Listing Document Form – to support project participants is submitted a request to list their activity.
- Completeness Check Form – For the DNA Secretariat to use, to confirm that the listing document is complete and that the activity is eligible.
- Listing Notification Form – For the DNA Secretariat to notify the project participants of successful listing, and upload to the local Article 6 website.

- Monitoring Calculation Tool – Based on the methodology, this allows project participants to enter their monitoring data and automatically calculate ERs from the activity.
- Monitoring Report Form – For the project participants to submit the monitoring results for verification.
- Verification Report Form – For the verifiers to present the verification findings and the final verification opinion.
- Verification Guidance – To provide instructions to the verifiers on how to conduct verification.

The activity cycle in the Program Standard, would need to be expanded to include the additional steps of issuance and authorization (see the example in Figure 2), and the sub-steps of submissions from project participants and approval by government. Hence, in the roll-out of the pilot activity in Bangladesh, additional forms will be needed to complete the activity cycle. These will also be developed as part of this sub-task:

- Issuance Request Form – For the activity participant to request issuance of ERs and host country authorization of these ERs.
- Issuance Checklist – For the DNA Secretariat to confirm that all relevant requirements have been met for issuance and authorization. This might also include going back to the DNA TC and DNA GB to seek input and/or approvals.

Figure 2: Typical activity cycle for pilot activity in Bangladesh



*Dash line indicates that the authorization and transfer processes may or may not occur in all cases, depending on the decision taken by the government on authorization under Article 6 of Paris Agreement

Approve national rules, methodology and forms for SHSs

The DNA GB and DNA TC have specific tasks to undertake to formally approve the proposed methodology and forms for SHS pilot activity. The DNA TC is tasked with reviewing the proposed standard, methodology and forms for the SHS activity and recommending their approval. Following this, the DNA GB can approve them, thereby formalizing the process and ensuring alignment with overarching objectives.

Task 5: Setting up Infrastructure for the pilot activity

Development of an interim Excel-based registry for the pilot transaction

As part of this sub-task a simplified Excel-based registry could be developed for the needs of the SHS activity in Bangladesh. However, it is key to ensure that such a registry shares common technical and design parameters with the national registry. Therefore, this sub-task will include:

- supporting DoE in understanding the technical parameters, design and functionalities of the simplified Excel-based registry;
- assessing what is needed for adapting the simplified registry for SHS activity purposes; and
- supporting DoE in deciding whether to adapt the simplified registry or not.

Development of MRV framework for the Pilot Transaction

The sub-task includes preparation of MRV manual and database with reference to IDCOL SHS pilot project.

Article 4 of the Paris Agreement urges countries to develop a robust measuring, reporting, and verification (MRV) system to assess and track climate change actions and policies, and their impacts on the NDC. Per Article 4, every country (except the least developed countries) shall report on the progress of NDC mitigation commitment implementation, adaptation efforts, and international support received biennially. Bangladesh as a member of non-Annex I Parties has established this integrated MRV platform to develop a well-referenced, verifiable, and cost-effective greenhouse gas (GHG) inventory and establish a sustainable adaptation, mitigation and finance tracking system for improved reporting. The Department of Environment (DoE) as a mandated Government agency under the Ministry of Environment Forest and Climate Change (MoEFCC) is hosting the Bangladesh MRV platform⁴ for data sharing, archiving, and fostering institutional arrangements among the concerned government agencies to comply with the TCCCA (transparent, consistent, comparable, complete and accurate) reporting principles for greenhouse gas (GHG) emissions, adaptation, mitigation, and finance.

The pilot project needs to be listed in the Bangladesh Climate Change MRV System and MRV Manual and the database of the project can be uploaded under the project.

Task 6: Activity cycle support for pilot transaction

Within the landscape of the pilot transaction for IDCOL's SHS activity, robust support mechanisms are required for the activity participant (IDCOL), the DNA GB, and DNA TC to ensure smooth progression. This task delineates the pivotal support provided by the consultants on activity listing to authorization, monitoring and verification, issuance of ERs and transfer of ITMOs. Collaborative efforts between consultants, alongside project participants, the DNA GB, and DNA TC will ensure attention to detail, regulatory compliance, and readiness for each phase of the activity cycle.

Supporting listing of pilot activity

Listing the activity involves the Article 6 DNA Secretariat confirming that the SHS activity meets the eligibility requirements, and the Article 6 DNA Secretariat accepts the activity to generate ERs. This is similar to the concept of registration in crediting mechanisms.

In this sub-task, the consultants will assist the activity participant complete the form for listing of activity. The activity listing request is then sent to the Article 6 DNA Secretariat. With the help of the consultants, the DNA Secretariat will review the listing request and fill in the completeness check form. At the end of this sub-task, the pilot activity is listed and presented on the Article 6 website.

Supporting authorization of pilot activity

Following the listing of the activity, "authorization of activity" refers to the formal approval granted by the DNA GB for the generation of ERs resulting from a specific activity. It confirms that the activity has met certain criteria, standards, or requirements established in the country's Article 6 framework. Authorization typically precedes issuance and signifies approval to proceed with generating ERs.

⁴ Bangladesh Climate Change MRV System (<http://mrv.eis.gov.bd/>)

The development of a procedure for authorization of ERs from the pilot activity will be prioritized in this sub-task, developing the following:

- Criteria for activity approval and ER authorization for SHS.
- A procedure for submission of requests for approval and authorization by activity participants, including relevant forms.
- A procedure for evaluating such requests based on the authorization criteria developed.
- A procedure for communicating approvals and authorizations.
- A procedure for registering the authorization and activity information.
- The approach for communicating approvals and authorizations publicly.

The procedure for authorization for off-grid power in the energy sector will be tested through the IDCOL SHS activity. Given the technical nature of this process and the fact that this will likely be Bangladesh's first authorization, support to the various stages of the procedure will be required. In this sub-task, the relevant government bodies will be supported to evaluate the request for authorization, identifying any issues or gaps in information if they exist, and supporting the interaction with IDCOL to address those issues or gaps. If authorization is granted, the relevant bodies will be supported to issue the relevant letter(s), registering the information and communicating publicly about this.

Support monitoring and verification for pilot activity

Monitoring and verification are integral components for all activities to ensure transparency and accountability in achieving ERs. Monitoring involves the systematic collection, analysis, and reporting of data related to the performance and outcomes of the activity. Meanwhile, verification entails the independent assessment and confirmation of the accuracy, reliability, and integrity of the monitoring data and reported ERs. Conducted by qualified third-party verifiers, verification inspects monitoring procedures, data collection methodologies, ER calculations, and documentation to ensure compliance with regulatory requirements. Monitoring and verification provide assurance of the credibility of the emission ERs achieved within the pilot activity.

In this sub-task, the consultants will support the activity participant in collecting the data necessary to complete the monitoring calculation tool. This would include advising the activity participant on how to adapt any existing monitoring system to deliver the data for the pilot activity. For registered CDM PoAs, this should be able to build directly on existing databases and data collection procedures.

The consultants will also support the activity participants in extracting the relevant outputs from the monitoring calculation tool to complete the monitoring report, based on the monitoring report form. This collaboration will extend to address any outstanding issues so that the monitoring report would be ready for verification. This sub-task will culminate with the development of a customized verification guidance document, based on the pilot activity. The verification process will also incorporate validation of the activity design, since the pilot transaction is streamlined and does not include a separate validation step prior to listing and monitoring.

(optional) Issuance of ITMOs from pilot activity

If GoB decides to convert the Ci-Dev SCF ERs transferred to Ci-Dev donors into ITMOs, separate legal arrangements will have to be made on a bilateral basis between the GoB and individual donors of the Ci-Dev fund. Possible addition funding to enable the conversion/authorization This carbon finance element is on top of the proposed up to US\$16 million funding pocket. To access this potential financing carbon finance, the SHS program must receive approval and authorization from the GoB to transact as internationally transferred mitigation outcomes (ITMOs), which will require corresponding adjustment (CA) to be issued for the associated ERs, and the mitigation results of the ERs to be removed from the national registry.

Article 6.2 of the Paris Agreement introduced the concept of authorisation, by providing that the use of ITMOs to achieve NDCs needs to be authorised by participating Parties. Authorisation is an essential part of voluntary

cooperation under Article 6, because it determines when mitigation outcomes (MOs) become ITMOs. Authorisation also triggers a commitment by the first transferring Party to apply a corresponding adjustment to their emissions balance, as well as reporting requirements for participating Parties.⁵

Issuance of ITMOs is governed by the Article 6.2 rules and are political decisions, because the international transfer could affect the achievement of the host party's NDC. If the host party has in place an overall Article 6 strategy, covering all sectors and activity types, the activity participant should follow the procedures set out there. If this is not the case, the host party may make decisions on the authorization and transfer of ERs on a case-by-case basis, for which the activity participant must provide all relevant information on the activity, demonstrating that the international transfer will not pose an overselling risk on the NDC.

In this sub-task, the government of Bangladesh and activity participant will receive support in the process of requesting and deciding on the issuance of ITMOs generated from the pilot activity. At the end of this sub-task, a decision is made on the number of ITMOs to be issued from the pilot activity. In the pilot activity roll-out, additional forms will be needed to complete the activity cycle:

(optional) Transfer of ITMOs

Followed by the issuance of ITMOs, a request to transfer of ITMOs is made by the activity participant. Where authorization is requested after monitoring and verification, the authorization can be followed immediately by a request to transfer. When authorization was requested before verification, activity participants must wait until ERs are verified and issued (when required) before requesting transfer.

The process of transferring ITMOs can occur through the simplified Excel-based registry developed for the SHS pilot activity. The acquiring party (Ci-Dev donor countries in the case of Bangladesh's SHS pilot activity) is where the ITMOs will be retired and cancelled.⁶

capacity building and support will be provided to the DNA GB, DNA TC and DNA Secretariat on the processes for making the ITMO transfer, completing the forms for executing the authorization, entering the information on the relevant registries, and carrying out the corresponding adjustment in the NDC GHG inventory. At the end of this sub-task, ITMOs are transferred to the acquiring party.

Summarize lessons learned from pilot transaction

Implementation of the pilot activity will provide important lessons learned during the process – particularly on how to use existing structures in Bangladesh and engage with national stakeholders at different stages of the activity cycle. A lessons-learned report will be developed for Bangladesh, elaborating on opportunities and benefits as well as barriers during the activity cycle. Importantly, the report will look at improvements, including timelines and transaction costs. In addition, activity participants and national government authorities will be interviewed to gain country-specific insights that can be further improved when going forward. The lessons learned report will also consider the financial sustainability of the host party governance structure.

⁵ Lo Re, Ellis & Greiner 2022, The Birth of an ITMO, OECD, IEA.

⁶ Or through independent registries (such as the core registry of the World Bank, the Gold Standard, etc.), but for the pilot activity it will most likely be the Excel-based registry.

4.0 Full-fledged Article 6 regulatory framework development (Phase 2)

Article 6 regulatory framework refers to the domestic rules and regulations established to govern the implementation of Article 6 of the Paris Agreement within that country. At the outset, building upon the lessons learned from implementation of the pilot activity, this task focuses on the full-fledged development of an Article 6 regulatory framework for Bangladesh. This includes developing recommendations for necessary regulatory framework adjustments to sustain ongoing Article 6 participation, with support for drafting, review, and approval of regulatory changes, support for technical analysis for infrastructure development including MRV system and Registry System and their interlinkage and technical studies for carbon pricing instruments. This culminates in the drafting and approval of new regulations, accompanied by the preparation of operational manuals and tools, setting up Registry system and MRV System and technical recommendation on Carbon Pricing instruments.

Development of Policy Framework

The mandate for participation in international carbon markets will be based on laws and regulations at various levels. Bangladesh must ensure the clarity and transparency of the national climate policy context in which it will participate in international carbon markets. This means identifying and analyzing any climate laws or regulations in place to implement the NDC and LT-LEDS, specifically identifying to what extent the existing legal framework already addresses the potential contribution of international carbon markets to national objectives.

Bangladesh does not have any Regulation or Act related to Climate Change or Carbon Market. Bangladesh may adopt new legislation or amend existing legislation (climate change laws, in most cases) to develop their Article 6 frameworks or a Carbon Market Framework with broader scope including A6 Framework, VCM and domestic CPIs. Usually, these Regulations generally are developed in broader terms and generally do not include detailed, substantive, or procedural provisions on Article 6 or carbon market. However, in most cases it grants administrative powers to a relevant authority (e.g. Ministry of Environment) to develop further subsidiary regulations such as regulations, sub-decrees and implementing guidelines that includes details administrative frameworks for Carbon Market.

Alternately, Bangladesh can take ad hoc measures to guide Article 6 activities. Bangladesh can develop a set of interim guidelines to still benefit from Article 6 while a more substantive legal framework is under development. Such ad hoc guide lines can be developed by DNA Bangladesh under MoEFCC referring to the upcoming Gazette Notification. Bangladesh may prepare a Carbon Market Framework as an Interim Guideline. When a new legislation (regarding climate change) is established, it can be adopted as a subsidiary regulation.

Develop Carbon Market Framework for Bangladesh

This sub-task is connected with the outputs developed as part of Task 1. With the output of the analyses developed in Task 1, a proposal will be made to modify the regulatory framework to legally establish the mandates for the implementation of Article 6 transactions. This sub-task will cover the following:

- A review of the existing regulatory framework in the context of the functions and procedures required to participate in Article 6. This review should consider any changes to the regulatory landscape envisaged through other initiatives, particularly the establishment of carbon pricing instruments (CPIs).
- Recommendations for Interim guidelines preparation. Preparation of Carbon Market Framework and adoption by the DNA GB.
- Recommendation for new Regulation for Bangladesh encompassing the climate change including carbon market and authorizing MoEFCC to develop sub regulation regarding carbon market.

The final output will be the Carbon Market Framework which is a comprehensive Framework covering all aspects of the policy, strategy, rules, regulations and procedures as delineated in the building blocks 1.1, 1.2 and 1.3 in

Chapter1 and integrating outputs of Task 1 . The Carbon Market Framework may include the following contents (not exhaustive)

- Carbon Market Strategy
- Environmental Integrity requirements
- Sustainable Development Requirement
- Eligibility Mitigation Activities
- Eligible Carbon Credit Mechanisms
- Eligible Methodologies
- Voluntary Carbon Market Strategy
- Risk Management Strategy for NDC Alignment
- Mitigation activity development stages
- Registry procedure and issuance
- Eligibility for Independent Validators and Verifiers
- Approval, Authorization and Corresponding Adjustments
- Applicable Fees
- Institutional Arrangements
- Template, forms, protocols
- Participation requirements for Paris Agreement Crediting Mechanism (A6.4)

Prepare operational manuals, templates and tools

Once the governance structure and rules have been formalized, it must be operationalized by the relevant institutions. Operational manuals and tools will provide the basis for staff within those institutions to perform their roles, as well as individuals within relevant private sector institutions that engage with Article 6 procedures.

This sub-task will cover the development of operational manuals and tools, as outlined in building block 1.4 and further improvement of the outputs of Task 4, to support DoE and other relevant ministries and agencies. Manuals and tools include:

- An operational manual for government institutions to carry out their role in authorization, transfer and tracking, and accounting and reporting. The operational manual will contain detailed procedures showing roles, timelines and detailed steps. The manual will need to be developed in close consultation with the registry design and implementation.
- Forms, template and tools for carrying out relevant procedures within the operational manual, such as a letter of authorization.
- A guide for proponents of mitigation activities with clear instructions on how to access the relevant procedures within the institutional framework, such as how to open an account in the registry and how to submit a request for authorization. The guide will clarify fees and charges associated with accessing such procedures. The guide should also provide information on relevant methodologies and MRV approaches.

This sub-task will also support the accessibility of the manuals and tools, for example by hosting them on an online platform.

Supporting adoption of the Carbon Market Framework as Regulation

To adopt the Carbon Market Framework as a regulation will require drafting the regulation. This activity will support the drafting of regulation, in accordance with the Bangladesh's legal system. This activity will cover the following:

- Provide technical input to inform the drafting of new laws/regulations.

- Support for the review, discussion and stakeholder deliberation process, including delivery of presentations and holding of consultations with relevant stakeholders.

Technical Infrastructure development

This task focuses on the essential elements involved in establishing and maintaining the infrastructure and registries required for Article 6 transaction. It begins with a preliminary assessment of long-term needs, options, and costs, ensuring informed decision-making. Subsequently, functional, and technical specifications are developed for the full registry and MRV system, followed by its implementation, adaptation, and training. Each step is integral to ensuring the seamless functioning of the registry and MRV system associated infrastructure.

Conduct preliminary assessment of long-term registry needs, options and costs

Bangladesh will need to decide which registry to use. Bangladesh may choose to build its own registry or use an International Registry that will be built by UNFCCC Secretariate as stated in clause 29 of the Decision -/ CMA 3. However, to take advantage of the early adoption of A6.2 and resulting increased climate finance flow, Bangladesh needs to start building its own registry system as early as possible.

The Registry to be used by Bangladesh, must be able to store, track and report on all the required information on ITMO authorization, transfers, cancellations, etc., that will be included in the Article 6 annual information and biennial transparency report (BTR). Therefore, this sub-task will assist DoE to:

- Strengthen the capacities of the various government stakeholders involved in Article 6 on the technical specification of a registry. At the end of the process, stakeholders should be able to understand all the criteria in terms of functionalities, capacities, costs, etc., for the various ITMO registry options available, in order to make an informed decision.
- Develop a high-level needs assessment for the registry system to respond to the needs and functionalities of Article 6, based on feedback received during capacity building activities.

Develop functional and technical specifications for full registry

This task covers the development of the specific IT capabilities and features that are required according to the needs and decisions made in the previous steps. Storage capacity, security and backup are some of the key features to determine the budget required for the registry development. These capabilities and features comprise the functional and technical specifications of an IT system.

Functional specifications: This should include the objectives of the system, type of data and users, and functional process requirements (i.e., dataflows). It should also include a description of each major functional component to be included in the system (e.g., data upload and input, document management, quality assurance and quality control, report generation and data export, data confidentiality requirements, user management).

Technical specifications: This should include the objective of the technical requirements, definition of the system and hardware architecture, comparison and identification of an appropriate hosting solution, outlining the most appropriate software for the functional specifications, performance requirement targets, data storage, and security considerations. Therefore, to enable Bangladesh to meet the tracking requirements set out in the rules and procedures of Article 6 this sub-task will support MoEFCC in:

- Defining the functional specifications for the ITMO registry.
- Defining the technical specifications for the ITMO registry.

Implement, build and adapt the registry

Once the registry's technical and functional specifications have been defined, and the needs assessment has been undertaken, all that remains is to move forward with implementation. This involves getting the registry up and running, building the necessary architecture and adapting it to the reporting needs of Article 6 and other markets. To this end, the following will be done:

- Provide technical support to the government of Bangladesh in the implementation of the selected architecture (e.g., technical and functional specifications) for the registry.
- Adapt registry design to available methodologies, defined activity cycle and national regulations.
- Support registry testing through pilot activities.

Training for registry

Building capacity among various stakeholders involved in the operation and utilization of the registry is paramount for its success. Training programs tailored to the specific needs of DNA Secretariat, users, and other relevant parties will be developed as part of this sub-task. The DNA Secretariat will require in-depth knowledge of registry management, including data input, maintenance protocols, and troubleshooting procedures. Users, on the other hand, benefit from training sessions aimed at maximizing the registry's functionality, ensuring efficient data retrievals or inputs, and understanding how to interpret information accurately. By empowering stakeholders with the necessary skills and knowledge, the registry can fulfil its intended purpose

Technical Need Assessment and defining Technical Specification for MRV System

Bangladesh will need detailed tools and guidelines for collecting, monitoring, reporting, store data about GHG emissions reductions. Before this can be done, a comprehensive needs assessment will have to be conducted.

This subtask includes:

- Technical Need Analysis for MRV System
- Preparation of Technical Specifications for MRV Systems
- Capacity Building in MRV tools used in carbon markets
- Strategies and action plan to integrate the proposed MRV system with the existing Bangladesh MRV platform⁷

Implement build and adapt the MRV System

Once the technical and functional specifications have been defined, and the needs assessment has been conducted the implementation can be started. This involves designing and testing the MRV, building the necessary architecture and adapting it to the reporting needs of Article 6 and other markets. To this end, the following will be done:

- Provide technical support to the government of Bangladesh in the implementation of the selected architecture (e.g., technical and functional specifications) for the MRV system.
- Design and Testing of the MRV system
- Support MRV testing through pilot activities.

⁷ Bangladesh Climate Change MRV System (<http://mrv.eis.gov.bd/>)

Carbon Pricing Instruments

The task relates to possible new national carbon pricing instruments (CPIs). It supports a government and wider stakeholder dialogue on whether these policies could be suitable for Bangladesh and includes analysis of how they could be designed. The policies could include a carbon tax, emissions trading scheme, or domestic carbon market. The focus of the work is readiness assessment, stakeholder consultation and capacity building, to support a government decision on whether to proceed with carbon pricing. Key Activities are as follows

Assess Readiness and Feasibility of Carbon Pricing Instrument

The sub-task will include the following activities

- Establishment of the priorities for any future carbon pricing system, through cross government consultation.
- A readiness assessment on the feasibility that Bangladesh could introduce carbon pricing, to inform the development of future capacities and future policy decisions.

Conduct Technical Studies on Policy Interaction, Economic Impact etc.

The sub-task will include the following activities

- Technical studies on policy interactions, economic impacts, just transition, impacts on trade and competitiveness, impacts of a Carbon Border Adjustment Mechanism (CBAM to be effective by the EU in 2026) etc. to inform policy design.
- The implication of this structure of the economy on how a CPI could be designed, the impacts of this higher informality in the economy and distributional impacts on such market players should be assessed under the PMI support.

Engage in consultation process on CPI policy options

The sub-task will include the following activities

- Wider stakeholder consultation on the options for carbon pricing.
- Development of the institutional framework and legal gap analysis in the event a decision is made to proceed with carbon pricing.

Design and implement training plan for stakeholders

The operationalization of the institutional arrangements will require staff within relevant institutions to be trained in how to implement the procedures detailed within the operational manuals and apply the relevant tools. This task will involve the following:

- Design of the training plan. Training will be tailored to these audiences: institutions forming the DNA GB, DNA TC, DNA Secretariat and activity participants. Practical learning will be prioritized to support these stakeholders to apply procedures with one or more initial mitigation activities.
- Roll-out of the training and support for application of procedures and tools for the identified audiences.
- Trainings and workshops for capacity building and knowledge sharing on specific strategic considerations (e.g. VCM engagement, eligibility criteria, etc.)
- Trainings and workshops to support the definition of guiding principles and Safeguards
- Trainings and workshops on relevance of eligibility criteria and how to define it
- Capacity building and technical training for DNA GB, DNA TC and DNA secretariate
- Training and capacity building to enable institutions to fulfil their roles and responsibilities.
- Capacity building and training activities for the private sector (project developers) or other relevant stakeholders

- Training on MRV tool
- Training on the registry operation
- Capacity Building and Training of the local private sector that has the potential to become Validation and Verification Bodies.

6.0 Budget for capacity building support

The following table presents the budget for the tasks described in this roadmap. The budget only includes costs for international and local consultants, cost of venue and catering for workshops where relevant and does not include the overhead costs by World Bank or government to manage the program. Because some activities were already covered under the CiDev budget to support the SCF, no budget is shown for these activities. Similarly, no budget is shown for actions that are entirely from the government (e.g. approval of a document).

Task description	Funding source
1 Preparation for pilot activity development	
1.1 Develop recommendations for Article 6 institutional arrangements	Existing SCF budget
Issuance of Gazette notification for article 6 institutional arrangements	-
1.2 Develop Article 6 roadmap: Framework for implementation.	Expanded Ci-Dev
Approve A6 Roadmap: Framework for Implementation	-
(Tentative) Knowledge-sharing at the Energy and Extractives Week in Washington DC	-
2 Setting up rules and resources for pilot activity	
2.1 Develop framework for risk management, authorization criteria and procedures	Expanded Ci-Dev
2.2 Assess existing legal mandates related to Article 6 and confirm legal ownership of ERs and MOs under existing regulations	Expanded Ci-Dev
2.3 Develop rules and resources needed for IDCOL pilot activity transaction	Existing SCF budget
2.4 Approve national rules, methodology and forms for SHS	-
2.5 Development of an interim excel-based registry for the pilot transaction	Expanded Ci-Dev
3 Negotiations for pilot transaction	
3.1 Prepare to negotiate and sign the Host Country Approval	-
3.2 Prepare to negotiate and sign the ERPA	-
4 Activity cycle support for pilot transaction	
4.1 Supporting listing of pilot activity	Existing SCF budget
4.2 Supporting authorization of pilot activity	Expanded Ci-Dev
4.3 Supporting monitoring and verification for pilot activity	Existing SCF budget

4.4	Issuance of ITMOs from pilot activity	Expanded Ci-Dev
4.5	Transfer of ITMOs	
4.6	Summarize lessons learned from pilot transaction	Existing SCF budget
5	Further Article 6 regulatory framework development	
5.1	Conduct detailed sectoral analysis to strengthen authorization criteria	PMI budget
5.2	Create MACC tool to identify and assess mitigation activities	PMI budget
5.3	Approve updated authorization criteria and publish the criteria	-
5.4	Develop recommendations for changes to the regulatory framework required for ongoing Article 6 participation	PMI budget
5.5	Support drafting, review and approval of regulatory changes	PMI budget
5.6	Draft and approve new regulation	-
5.7	Prepare operational manuals and tools	PMI budget
5.8	Design and implement training plan for stakeholders on procedures	PMI budget
6	Infrastructure or registry activities	
6.1	Conduct preliminary assessment of long-term needs, options and costs	Expanded Ci-Dev
6.2	Update and expand needs assessment based on progress in other CPIs	PMI budget
6.3	Develop functional and technical specifications for full registry	PMI budget
6.4	Implement, build and adapt the registry	PMI budget
6.5	Training for registry	PMI budget
7	Capacity building for Article 6 participation	
7.1	Continuous training and capacity building	PMI budget
0	Project management	
0.1	Ci-Dev share	Expanded Ci-Dev
0.2	PMI share	PMI budget

Annex A. Article 6 Government Structure in Bangladesh

On the 8th of November 2023, a workshop was conducted by the World Bank consulting team at the DoE office in Dhaka, with Dr. Abdul Hamid, the Director General of DoE, overseeing the proceedings. The consulting team presented the proposed institutional framework, based on their expertise with developing institutional arrangements for A6 frameworks in several countries. Subsequently the governance structure was discussed during an inter-ministry meeting for stakeholder consultation arranged under the leadership of the Ministry of Environment and Forest and Climate Change. On June 27th of 2024 the A6 Governance structure was approved through a Gazette Notification.

The DNA consists of a Governing Board (GB), a Technical Committee (TC) and a DNA Secretariat.

The Secretary of the MoEFCC is the chair for the GB of the A6 DNA. The GB consists of several permanent members and additional members of relevant line ministries who are invited based on the nature of the A6 project under consideration. Figure 3 shows the composition and key functions of the GB.

The TC is chaired by the Director General of the DoE. The Climate Change and International Convention Wing of the DoE will act as the DNA Secretariat. The TC includes several permanent members and additional members of relevant agencies and individual experts, who will be invited based on the A6 project under consideration. Figure 4 shows the composition and key functions of the TC and DNA Secretariat.

Figure 3: Composition and key functions of the DNA GB

1. A6 DNA Governing Board

1.	Secretary, Ministry of Environment, Forest and Climate Change (MoEFCC)	Chair
2.	Representative, Planning Commission, Ministry of Planning	Member
3.	Representative, Economic Relations Division (ERD), Ministry of Finance	Member
4.	Representative, Ministry of Foreign Affairs	Member
5.	Representative(s), relevant line ministry(ies) related to project(s)	Member
6.	Director General, Department of Environment	Member
7.	Joint / Deputy Secretary, Climate Change Wing, MoEFCC	Member Secretary

Mandate and Scope of Work

- (a) The A6 DNA Governing Board will perform the policy and executive functions for A6 and provides the overall authority and strategic direction for the A6 framework rollout in Bangladesh as per the following scope of work –
- a.1) Set the principles and define the strategy for the development of the A6 framework.
 - a.2) Approve A6 related policies, guidelines, rules, methodologies, protocols, templates, and tools.
 - a.3) Decides whether to approve Article 6 Activities, including other compliance and voluntary carbon market activities in the country.
 - a.4) Decide whether to issue, letter of authorization to the mitigation outcomes generated by the approved projects and transfer of mitigation outcomes referred to as “internationally transferred mitigation outcomes (ITMOs)” for Article 6, paragraph 2 activity and “Article 6, paragraph 4, emission reduction (A6.4ER)” for Article 6, paragraph 4 activity.
 - a.5) Decide how much to transfer and approve transfers including corresponding adjustment.

- (b) The Governing Body will meet at least once a year or when necessary.
- (c) The Governing Body may invite experts in its meeting for technical clarifications.

Figure 4: Composition and Key Functions of the TC and the DNA Secretariat

2. A6 DNA Technical Committee (TC)

1.	Director General, Department of Environment	Chair
2.	Joint/Deputy Secretary, Climate Change Wing, MoEFCC	Member
3.	Representative, Bangladesh University of Engineering and Technology	Member
4.	Representative, University of Dhaka	Member
5.	Representative(s), relevant line agency(ies) related to project(s)	Member
6.	Representative, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)	Member
7.	Director (Climate Change and International Convention)	Member Secretary

Mandate and Scope of Work

- (a) The A6 DNA Technical Committee will perform the technical functions for the A6 framework implementation in Bangladesh as per the following scope of work –
 - a.1) Provide technical inputs and recommendations on Article 6 activities to the Governing Board.
 - a.2) Review and recommend principles and strategy for the development of the A6 framework, including guidelines, rules, methodologies, protocols, templates, and tools to the Governing Board.
 - a.3) Review and recommend to the Governing Board whether to approve Article 6 activities, including other compliance and voluntary carbon market activities in the country.
 - a.4) Assess the impact of issuance, authorization and transfer of mitigation outcomes from a specific A6 activity (ITMOs for Article 6.2 activity and A6.4ERs for Article 6.4 activity), including other compliance and voluntary market on the NDC goals and make recommendations to the Governing Board accordingly.
 - a.5) Advise, as requested, the Governing Board on the role of crediting and transfers in the context of the NDC, to further support Bangladesh’s NDC implementation.
 - a.6) Any other task as requested by the Governing Board.
- (b) The Technical Committee will meet at least once a year or when necessary.
- (c) The Committee may invite experts in its meeting for technical clarifications.
- (d) The Committee may co-opt any member concerned if necessary

3. A6 DNA Secretariat

The Climate Change and International Convention Wing of the Department of Environment (DoE) is the Secretariat of the DNA for carrying-out the day-to-day administrative functions of the A6 framework.

Mandate and Scope of Work

- (a) The A6 DNA Secretariat will perform the following responsibilities:
 - a.1) Provide secretarial support to the Governing Board and the Technical Committee.
 - a.2) Receive Article 6 project documents, authorization, issuance and transfer request from Article 6 activity proponents.
 - a.3) Support the approval of projects, listing of projects, issuance, authorization, and transfer processes of mitigation outcomes from a specific A6 activity (ITMOs for Article 6.2 activity and A6.4ERs for Article 6.4 activity) by conducting completeness checks on submitted documents based on approved rules, methods, protocols and guidelines.

- a.4) Issue Host Country Approval (HCA) and/or Letter of Authorization (LoA) upon Approval of the Article 6 activities, including other compliance and voluntary carbon market activities by the Governing Board.
 - a.5) Develop, manage, and maintain a registry of projects and mitigation outcomes (ITMOs and A6.4ERs) that are issued, authorized, and transferred.
 - a.6) List eligible verifiers based on approved rules when international accredited verifiers are used.
 - a.7) Accredite auditors based on the approved accreditation standard in case the government decides to create a national accreditation framework for verifiers.
 - a.8) Preparation of Reports for submission to UNFCCC according to the requirement under Article 6.
 - a.9) Implement Corresponding Adjustments in the NDC accounting.
 - a.10) Any other task as requested by the Governing Board and the Technical Committee.
- (b) The Committee may co-opt any member concerned if necessary
4. The Notification shall come into effect immediately.

Annex B. Glossary

Term	Definition
Activity participant	The public or private entity that is the developer or owner of the activity (i.e., project or program) and/or has the legal right to the mitigation outcomes. Refers to variations such as project participant, project developer, activity developer and project proponent, as they are occasionally used in certain contexts.
Activity	The activity (i.e., projects or programs) described in the activity documentation under the CDM, SCF, Paris Agreement crediting mechanism, or another crediting mechanism, capable of generating emission reductions under a crediting mechanism.
Acquiring Party	Country government receiving authorized mitigation outcomes, ITMOs, as part of a transfer between two or more country governments. Refers to variations such as buyer party, buyer country and acquiring country.
Authorization	The host Party's decision to make mitigation outcomes eligible for transfer to another country or for other mitigation purposes, based on the Article 6.2 guidance
Crediting mechanism	A policy instrument used to generate and issue emissions reduction or emission removal units to mitigation activities, in recognition of quantified and verified emissions reductions or removals. Crediting mechanisms may be governed by international agreements (e.g., the CDM under the Kyoto Protocol), national law (e.g., a domestic crediting mechanism) or by independent private or non-profit bodies (e.g., the voluntary carbon market standards).
Verifier	The accredited entity designated under the relevant crediting mechanism, which performs verification of the Activity performance and eligibility. This is the formal name for such entities under the PACM. Refers also to similar entities such as verifiers, validation and verification bodies, auditors.
Internationally transferred mitigation outcomes (ITMOs)	Mitigation outcomes that are authorized and transferred out of the host Party, for use by another Party towards its NDC, for use in other international mitigation systems (e.g., CORSIA for international aviation) or for use for other purposes (e.g., voluntary carbon markets).
Issuance	Creation of ER units for an Activity in the pending account (if applicable), trustee's account or other appropriate registry Account pursuant to the protocols or procedures of the relevant crediting Framework(s) specified in the ERPA.
Host Party	The country where the activity is located as specified in the ERPA. Refers to related terms such as host country, transferring party and seller country.
Listing	The process by which the Administrator of the SCF confirms that an Activity meets the eligibility requirements of the SCF and accepts the Activity as a part of the SCF and eligible to generate GHG reductions. Similar to the concept of registration in crediting mechanisms.
Listing document	The document that provides relevant technical information about an Activity and is submitted to the Administrator by the Activity Participant for the purposes of Listing such an Activity under the SCF.
Mitigation outcomes	Used as a generic term for emission reductions and emissions removals measured in tonnes of carbon dioxide equivalent (tCO ₂ e).
Paris Agreement crediting mechanism	The crediting mechanism set up under Article 6.4 of the Paris Agreement.
SCF emission reduction (ER)	A verified and issued emission reduction unit pursuant to the SCF rules, which is equal to one metric ton of CO ₂ e, calculated in accordance with approved SCF methodologies.
Transfer (of ITMOs)	The change of legal ownership of mitigation outcomes from one Party (current country or organization with ownership) to another Party (country or organization).