



6.2 Ambition dialogue, Day 2, Session 1

Ensuring High-Integrity Cooperative Approaches

Belém, 12 November 2025

Good morning everyone, I am Federica Dossi and I am speaking on behalf of Carbon Market Watch. I will focus my presentation on environmental integrity in cooperative approaches.

But first, I believe we need to take a step back. Before looking at what Parties are doing, we need to look at the system they operate in and what rules they are required to follow.

In July, Carbon Market Watch published an assessment of the Article 6.2 Rulebook that found that the rules with regard to additionality, permanence, and quantification are severely lacking. This means that the framework itself doesn't provide the robust foundation needed for environmental integrity.

The quality of the credits that Parties decide to trade is left up to countries themselves, therefore, it is not surprising to find that low-quality ITMOs are currently being traded under the Article 6.2 framework.

For example, an external rating agency found that certain ITMOs had "very high carbon accounting risks," meaning that the projects had a very high likelihood of overstating their benefits. The same agency found that ITMOs from another cooperative approach had a moderately high risk for non-additionality, meaning projects are likely to not unlock additional climate benefits.

Other examples can be found through the Article 6.2 review process. Despite the very weak mandate that reviewers have, the review reports flag problems with ITMOs quality. Reviewers found that a methodology adopted by one Party allows for an increase in the baseline, meaning baseline emissions can rise over time. This means that under this approach, the project can continue issuing emission reduction credits even if actual emissions are increasing.

Another review report highlights that the Party is using a methodology that does not require baselines to be set below business-as-usual projections. The implications of this for environmental integrity are severe: the country is not using a methodology that allows an honest assessment of the project's actual impact on emissions. Yet the rules allow ITMOs resulting from this cooperative approach to be traded.

These cases are only a selection of instances from the currently available reviews of initial reports, but there is a lot more in the works that hasn't been checked yet.

The Article 6.2 system lacks accountability, and much of the oversight falls to third parties, such as civil society. However, the limited information on cooperative approaches makes meaningful public scrutiny nearly impossible. Current rules do not guarantee early transparency, as reporting requirements allow reporting even years after the authorization. While more than 100 bilateral agreements have been signed, only five review reports have been made public, and only 17 initial reports have been published on the CARP, covering 37 cooperative approaches.

In addition, the review is not as helpful, as it potentially could be, in enabling meaningful accountability and facilitating public scrutiny. The fact that the review exists should guarantee that low-quality ITMOs are easily identifiable, but this is not the case. The way the review takes place right now is not helpful for public scrutiny or for third parties in overseeing what happens and flagging integrity issues.

This is because the amount of information available to reviewers and to the public, as well as the timing of such information, is insufficient. Additionally when the country provides additional information during the process to the reviewers, that information is not made public.

But it is also because the reviewers' mandate is very weak. Reviewers can only judge consistency with the requirements, and given the low bar of those requirements, this leaves significant gaps. In addition, when inconsistencies are flagged, the way they are presented in the review reports imposes a heavy burden of work to identify, categorize, and interpret them and in understanding whether they have consequences for environmental integrity. This is due to two causes: lack of centralization and lack of clear, explicit language. To understand what the reviewers mean, you need to read between the lines.

We need more upfront transparency to facilitate third-party scrutiny, and we need stronger internal oversight to ensure environmental integrity. Currently, the Article 6.2 framework is built on weak requirements and lacks real enforcement or accountability mechanisms to ensure even those minimal standards are met. Under these conditions,

countries can trade low-quality credits without effective checks, and little is being done to stop it.

To conclude, our recommendation is that countries stop ignoring the elephant in the room: given the inadequacy of the current Article 6.2 rulebook, it cannot guarantee the trade of high-quality ITMOs. Thank you for the opportunity to present.