

# A tick the box exercise?

What the first Article 6.2 review tells us about transparency and accountability

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# Introduction

Article 6 of [the Paris Agreement](#) was developed with the purpose of enhancing climate ambition through the trade of carbon credits between participating countries. However, the scheme's country-level framework (Article 6.2) is far too weak to ensure [the transparent trade of high-quality carbon credits](#). Moreover, even if Article 6 issued carbon credits that perfectly matched robust quality criteria, the framework [risks undermining climate ambition, rather than enhancing it](#).

The fundamental flaws of the Article 6.2 crediting system have already surfaced in the system's earliest transactions, which have generated credits found to be of [low quality](#) and connected to projects [mired by controversy](#).

Under Article 6.2, a technical expert review team (TERT) is mandated to verify information that countries submit to the UNFCCC reporting on their completed carbon credit trades. This review is referred to as the Article 6 TER (Technical Expert Review) but, unfortunately, as it stands, the review cannot guarantee that low-quality Article 6 credits (known as Internationally Transferred Mitigation Outcomes and shortened to ITMOs in technical terms) are easily identifiable or will be subject to meaningful restrictions.

The results of the first review round found that all information submitted to date has been inconsistent with current requirements. Each Party to the UNFCCC that has taken part in the review process so far has failed to meet at least some reporting requirements, casting doubt on whether countries are actually in compliance with Article 6.2.

This report explains how the review process works, clarifies what is currently demanded by transparency requirements, and reflects on lessons that can be learned from the first review round regarding both the review process and current trading practices under Article 6.2. Our research makes clear that the review process, in its existing design, does not contribute meaningfully to raising accountability under Article 6 and suggests recommendations to improve the process.

## **Relevance of the review process in current international discussions**

Over the next few years, countries at the annual Conference of Parties (COP) will discuss developments on engagement under Article 6, and will identify recurring themes that will then inform the scheduled 2028 review of the Article 6 Rulebook.

At COP30, the Initial Reports review became central to [discussions in the Article 6.2 negotiations](#). Two main positions emerged: some countries view non-compliance with current requirements as a consequence of the scheme's early stages of implementation, while others consider these results indicative of a structural failure and believe work to strengthen the review must begin immediately.

One proposal from the latter grouping of countries called for a UNFCCC work programme to assess potential improvements that are needed for the Article 6 TER. Despite this proposal representing a constructive way forward, it encountered strong opposition and was unfortunately excluded from the final text. Recognising and addressing the problems of the review process, for example, its limited mandate, will be essential going forward. Carbon Market Watch will continue to track the review process and advocate for a review process that increases accountability in the Article 6 framework.



## The review process

It is mandatory for countries to provide information about their trade agreements (referred to as 'cooperative approaches' in UN terminology) by submitting 'Initial Reports' to the UNFCCC. These must contain information about the cooperative approaches they have signed, for example information about how the carbon crediting projects uphold high environmental quality and avoid social harm, and how buyer and seller countries will share the mitigation benefits arising from the project.

The Initial Reports are reviewed through the Article 6 Technical Expert Review (TER) process, which checks if information is consistent with UNFCCC guidance. Specifically, the review checks against:

- the requirements outlined in paragraph 18 of the annex in the [Article 6.2 decision at COP26](#);
- the information provided by the country in its Regular Information report, the high-level and quantitative report that must be submitted to the UNFCCC every two years (under Article 13 of the Paris Agreement);
- and the information reported by other participating countries involved in the same cooperative approach, ensuring consistency across all countries engaged in the carbon credit trade deal.

Of the 20 Initial Reports that have been published, only five have completed the full process. Once a review is completed, a TER report is published on the [Centralised Accounting and Reporting Platform \(CARP\)](#). In essence, the reviewers assess whether information is consistent with the Article 6.2 reporting rules. However, the review has notable drawbacks given the shortcomings of the rules as well as the limited mandate of the review team to flag problems and request improvements. The review team (TERT - Technical Experts Review Team) is not permitted to pass judgment on the quality of credits, the rigour of the agreement and reported safeguards (e.g. for human rights), or even whether the information reported is credible.

When the TERT identifies problems or potential areas of non-compliance with the transparency requirements rules (called 'inconsistencies' in Article 6 jargon), they make recommendations in their review report on how the country should address these inconsistencies. However, there is no enforcement of compliance with requirements, since reviewers have no power to enforce corrections or impose penalties.

## **Transparency is not guaranteed by current rules**

The Article 6.2 rulebook establishes three key elements concerning transparency: what information about carbon credit trades must countries must publish, when they must publish it, and how that information is reviewed by the UNFCCC. It also sets out implications regarding what happens if countries fail to comply with the Article 6.2 rules.

Overall, rules are severely inadequate at addressing transparency. To be considered compliant, countries need only to report vague information. Although the reporting templates require disclosure on key issues, they do not specify how much information must be disclosed, and questions are framed in a way that permits countries to provide general, superficial answers.

All information submitted by countries is publicly available on the [Centralised Accounting and Reporting Platform \(CARP\)](#), with the exception of information deemed to be confidential.

## Early information is not guaranteed by current rules

Current rules also do not demand an early reporting process, enabling countries to disclose information about their carbon credit trades much later in the process. Late communication means that key information regarding underlying carbon crediting projects only becomes publicly available after key decisions have already been taken, and potentially even after credits have been traded and used.

Countries are generally only required to report to the UN after governments have granted a specific authorisation on carbon credit use, which can happen as late as the moment that credits are transferred to the buyer country. This loose requirement means countries are able to bypass scrutiny, thereby undermining transparency and trust that the review process is anything more than a box-ticking exercise. But there is an additional loophole that can delay reporting by up to two years: countries are allowed, if they deem it practical, to avoid publishing any information about their carbon credit trades until the next biennial transparency report (which countries are required to provide under the Paris Agreement every two years to report progress on implementing their agreed climate goals). This means that years can elapse between authorisation of ITMOs and information being published on the CARP.

Although Article 6 crediting is in its infancy, there are already cases of units being traded without any information being published on the CARP regarding the underlying cooperative approach. For example, Switzerland completed a transaction of credits from a cookstove project with Ghana in July 2025, but information regarding this project is - and at the time of writing still is - only listed on the Swiss website. For countries to publish data on their national websites on a voluntary basis is insufficient as this may result in disclosure of information in different levels of detail and displayed in inconsistent formats. This does not result in enhanced transparency for external stakeholders, including civil society, who cannot exercise proper oversight since information is neither uniform, nor gathered in one specific platform.

A further consequence of lax reporting requirements is that it is difficult to evaluate how early or late information is actually published. [More than one hundred bilateral agreements](#) have been signed, yet it is unclear how many cooperative approaches these agreements represent. A single bilateral agreement may be nothing more than a memorandum of understanding that signals an intention to cooperate, so the number of agreements does not reveal how many carbon crediting projects are actually ongoing. What is known is that only 20 countries have submitted Initial Reports, covering 43 cooperative approaches. Excluding the trades that involve Japan, the cooperative approaches for which information has been published on the CARP amounts to only 13.



## State of reviews

At the time of writing, only five review reports have been made public (batch released at the end of May 2025). Inconsistencies were found across the board.

The process for the first round of reviews took longer than expected. The review itself was held from 21 to 25 October 2024, yet the reports were published seven months later (with the exception of the report on Suriname, which has not yet been made public). According to rules set out in the official process, the final report should be published about four weeks after the review is carried out, yet there has been no public announcement on the reason for this delay.

Every single Initial Report reviewed so far has contained inconsistencies with the very low and insufficient levels of reporting outlined by existing rules, signaling evident transparency concerns and the limitations of the reviewers' mandate. We elaborate on outstanding cases in the following section.

### The Suriname case

Suriname's approach to Article 6 could be a reason why its review report has not been published together with the other countries.

Controversially, Suriname is attempting to turn results generated in the non-market UN REDD+ scheme (Reducing Emissions from Deforestation and Forest Degradation framework) under Article 5.2 of the Paris Agreement into credits that can be traded under Article 6 as ITMOs. Whether UN REDD+ results can be turned into ITMOs has been a point of contention during negotiations.

REDD+ is the main UN framework for financing the protection of forests, and it was never explicitly set up or developed to be a market mechanism. Additionally, [it is doubtful whether UN REDD+ results can even comply with the Article 6 rules](#), as the trade of emissions avoidance credits is not mentioned in the Article 6 rulebook. Therefore, such an approach can be considered controversial, and it can be inferred as being a contributing reason for the review process delay.

Suriname submitted a first draft of its Initial Report on 29 May 2024, followed by a revised version on 30 January 2025. While processing of published information has started, no review report has been published to date for Suriname. As confirmed by the UNFCCC Secretariat in their [2025 annual report](#), the internal review process is still ongoing, and the review report should be finalised soon.

## Flexible reporting instructions undermine the review process

### Reviewers flagged non-compliance with Article 6 reporting rules in all five available reports submitted by countries on their Article 6.2 trades.

While certain Article 6.2 reporting requirements were met by all countries, TERT identifies that others were not met by any. Figures 1 and 2 below illustrate how many countries and cooperative approaches were found to be consistent with selected reporting requirements.

Figure 2 shows that all countries fulfilled the requirement to describe their cooperative approach. As noted previously, this does not mean the review teams assessed the quality of these descriptions.

However, in other cases, critical requirements were found to be inconsistent across all countries and cooperative approaches. For example, countries failed to adequately demonstrate how their Article 6 engagement contributes to implementing their national climate goals (NDCs) and the long-term goals of the Paris Agreement, which include limiting the most damaging and irreversible effects of the climate crisis (Figure 1). Reviewers noted that information was "not sufficiently transparent or complete". Importantly, this does not mean review teams assessed whether or not countries' Article 6 engagement actually contributes to these goals, only if countries provided sufficient transparent information about such potential contributions.

Reviewers also found inadequate information (see Figure 2) to determine if cooperative approaches ensure that there will be no net increase in global emissions, which is a risk that could materialise if, for example, projects overestimate their climate benefits. Additionally, reviewers demonstrate that countries did not provide enough information on how their cooperative approaches satisfy the Paris Agreement's recognition of human rights, indigenous peoples' rights, gender equality and intergenerational equity (eleventh preambular paragraph of the Paris Agreement).

While it is positive to witness that reviewers are raising the bar for what constitutes adequate reporting, a fundamental problem remains that current reporting templates contain very general, high-level questions without specifying the required level of detail. The review process is appropriately holding countries accountable to provide more information than the bare minimum.

## IR reporting information related to the country

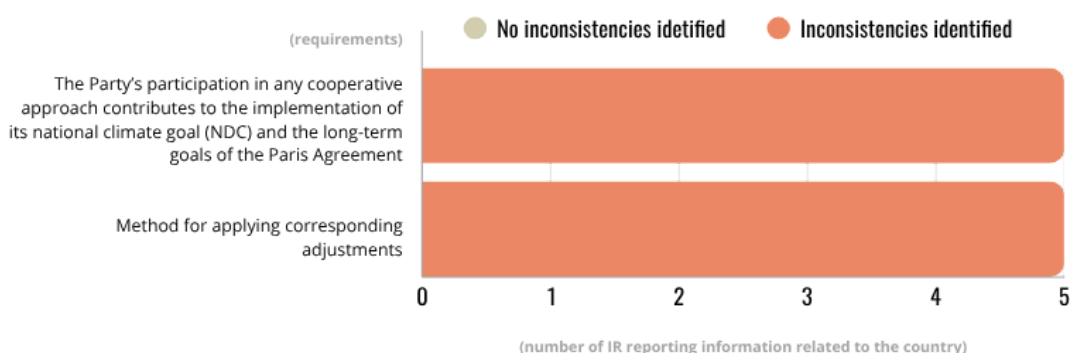


Figure 1. Consistency of Initial Reports with selected requirements for party participation.

## IR reporting information on a cooperative approach

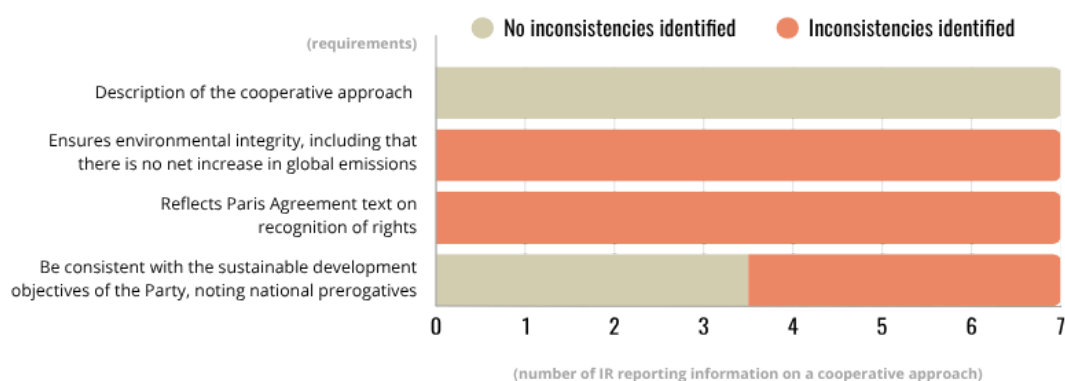


Figure 2. Consistency of cooperative approaches with selected requirements

**Note:** The figures are adapted from the UNFCCC Secretariat's [2025 annual report](#) on Article 6 implementation, which summarises the results of technical expert reviews of international carbon market cooperation, among other topics.

The first figure summarises five cases concerning Party participation responsibilities. A "Party" is the entity that ratifies the Paris Agreement. In almost all cases, Parties to the Paris Agreement are in fact countries. A notable exception is the European Union, which is collectively referred to as a Party.

The second figure presents the results for seven cases related to cooperative approaches. A cooperative approach is the arrangement through which countries engage and collaborate with each other under Article 6. The seven cases correspond to the three cooperative approaches reported by each of the two participating Parties in their bilateral collaborations, plus the Guyana cooperative approach, which is unilateral and therefore reported only by Guyana.

Analysis of the first batch of reports indicates that during the review process, countries frequently supplied additional contextual information to reviewers, which has been deemed relevant for inclusion in the final reports. However, the supplementary information supplied to reviewers remains confidential, meaning it is not possible for third parties such as civil society to assess if such information is fully adequate.

Moreover, the inconsistencies of country reporting flagged by reviewers refer to the information that is currently public and not that which is currently undisclosed and considered as additional and contextual. Reviewers comment at a very high level on the confidential information, which provides some, albeit limited, insight into the contents.

The diplomatic language that reviewers use in their reporting conceals their actual assessment. Comments are generalistic by design in reference to information that has not been made public. During the first round of reviews, reviewers have reacted to the additional information provided by the countries in three ways. These are outlined in the table below, which includes quotes from the [review report](#) referring to information submitted by Switzerland. Through comparing specific examples it becomes clear how additional information has been assessed during the review process.

***Example 1. Additional information is recognised to be relevant and reviewers request the country to include it.***

What the reviewers say	What it means
<p>“The Article 6 TERT (technical expert review team) acknowledges the additional information provided by Switzerland and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Switzerland include the information in its future reporting.<sup>1</sup>”</p>	<p>The reviewers recognise that the additional information provided by the country during the review process is relevant to the particular transparency requirement being assessed. They recommend including it in future reporting so that it will be publicly available (provided that additional information included during an ongoing review is not made public) and they do not give any further recommendation. In practice, once this information is included in future reports, the country will be compliant with the requirement.</p>

<sup>1</sup> This extract is taken from the section in the review report of the information submitted by Switzerland that refers to requirement 18.A/4.F (The Party's participation in any cooperative approach contributes to the implementation of its NDC and the long-term goals of the Paris Agreement).

**Example 2. Additional information is recognised to be relevant, reviewers request the country to include it, but they also request further information to be included in future reports.**

What the reviewers say	What it means
<p>"The Article 6 TERT acknowledges the additional information provided by Switzerland and considers it relevant to the reporting requirement. Therefore, the Article 6 TERT recommends that Switzerland include the information in its future reporting. The Article 6 TERT also recommends that Switzerland include further information in its future reporting on..."<sup>2</sup></p>	<p>The reviewers recognise that the additional information provided by the country during the review process is relevant to the transparency requirement being assessed. They recommend adding this to future reporting, but reviewers also recommend disclosing "further information" beyond what was provided during the review process. This suggests that even if the country includes the additional information from the review process in future reports, it would still be insufficient to meet the requirement.</p>

**Example 3. Additional information is not recognised as relevant and reviewers request that further information is to be included in future reports.**

What it means	What the reviewers say
<p>"The Article 6 TERT acknowledges the additional information provided by Switzerland but recommends that the Party include information in its future reporting on its national sustainable development objectives and how this cooperative approach aligns with them, noting national prerogatives."<sup>3</sup></p>	<p>The reviewers do not recognise that the additional information provided by the country during the review process is relevant to the transparency requirement being assessed, adding that information would not bring the country closer to meeting that requirement. The reviewers request specific additional information instead.</p>

<sup>2</sup> This extract is taken from the section in the review report of the information submitted by Switzerland that refers to requirement 18.H.1 (Description of how the cooperative approach ensures environmental integrity, including that there is no net increase in global emissions within and between NDC implementation periods) with regards to CA002.

<sup>3</sup> This extract is taken from the section in the review report of the information submitted by Switzerland that refers to requirement 18.I.3 (Description of how the cooperative approach is consistent with the sustainable development objectives of the Party) with regards to CA002.

Countries should not have the discretion to choose their level of transparency, demonstrating the need to review and overhaul existing Article 6.2 guidance. A system that guarantees integrity is one where the minimum information requirements are at least sufficient to enable a full and complete assessment, and this is not the case currently. This is particularly problematic given the [absence of oversight and enforcement mechanisms](#).

External stakeholders need sufficient information to assess credit quality and safeguard implementation, especially since no authoritative body oversees the system and, additionally, because the Article 6.2 framework also [lacks significant requirements to measure the environmental integrity of tradable units](#). As the rules stand, provided that participating countries agree on a carbon crediting methodology, they are able to define the quality criteria themselves. Therefore, not only is the review mandate too weak to guarantee accountability and enforcement, but the rules regarding quality are lacking in sufficient requirements to ensure the quality of the credits.

## The factors that show why the review process fails to uphold accountability

While it can be considered positive that submitted information undergoes some review, the Article 6.2 framework clearly fails to enforce even its own inadequate transparency and credit quality standards. Reviewers are limited by their mandate: they can only assess whether submitted information meets Article 6.2's transparency requirements, not whether the information is credible or whether the credits are of high quality.

That said, reviewers have flagged numerous inconsistencies pertaining to quality issues in this first round of reviews. While their use of diplomatic and general language makes it difficult to understand the real implications of their findings, one can still gain an insight into the scale of problems, as can be observed in several cases detailed below.

There are three factors that weaken the ability of the review process to uphold accountability: inadequate transparency requirements, the fact that reviews assess alignment with those requirements rather than actual content quality, and the inability of reviewers to enforce meaningful consequences in response to inconsistencies.

The following case studies highlight the gap between what reviewers can currently say and what they should be able to say for the review process to provide genuine accountability. These examples also show instances where reviewers, through flagging inconsistencies with requirements, are indirectly pointing to quality issues.

## Reviewers can only flag lack of information, not lack of quality, even when independent quality assessments yield worrying results

- **Case study: Switzerland-Ghana cooperative approach on climate smart agriculture (CA002) and Switzerland-Thailand cooperative approach on electric buses (CA003):**

The Swiss Federal Office for the Environment has mandated the carbon ratings agency BeZero Carbon to carry out independent risk assessments for Article 6.2 credits for both projects. This makes it possible to compare the findings of the UN Article 6.2 review process with the results of these project-level risk assessments.

For the Switzerland–Ghana cooperative approach on climate smart agriculture, BeZero finds that credits issued face a very high carbon accounting risk. This indicates a high likelihood that the project overstates its climate benefits.

For the Switzerland–Thailand cooperative approach on electric buses, BeZero finds a moderately high risk to the additionality of the credits issued. This suggests that the project is likely to deliver limited or no additional climate benefits beyond what would have occurred in the absence of the cooperative approach.

In both cases, the Article 6.2 TERT identifies inconsistencies in Switzerland’s reporting on how environmental integrity is ensured. However, the nature of these findings differs fundamentally from BeZero’s assessment. The Article 6.2 review assesses only whether Switzerland has provided sufficient and transparent information in its Initial Report, whereas BeZero draws on additional sources of information beyond the Initial Report to assess the underlying quality and integrity of the credits themselves.

Country and cooperative approach	What the reviewers say	What the BeZero assessment finds	What it means
SWITZERLAND (CA0002)	“The information reported by Switzerland was not found to be sufficiently transparent or complete in relation to how the cooperative approach ensures environmental integrity through baselines set in a conservative way and below ‘business as usual’ emission projections”	“Credits issued by 5001 face very high risk in relation to carbon accounting.”	The Article 6.2 review is only meant to assess whether a country has met transparency requirements. It is not meant to evaluate the quality of the credits. The reviewers deem the reported information as incomplete to justify Article 6 reporting rules have been sufficiently satisfied, but the review does not convey any quality critique, let alone the material risks to integrity that BeZero has assessed, underscoring the limited mandate of the review team
SWITZERLAND (CA0003)	“The information reported by Switzerland was not found to be sufficiently transparent or complete in relation to how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods. (...) The Article 6 TERT also recommends that Switzerland include further information in its future reporting on how this cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods.”	“There is a moderately high risk to the additionality of credits issued by the project.”	Same comment as above

## Reviewers are indirectly pointing to quality issues by flagging inconsistencies with requirements, yet the review lacks the teeth to enforce consequences

### ● Case study: Guyana's unilateral cooperative approach (CA0005)

Guyana's unilateral cooperative approach involves the trade of [inflated emission avoidance credits](#), which are [normally prohibited under Article 6](#). Guyana's approach relies on the High Forest, Low Deforestation (HFLD) crediting approach under the TREES standard, which has been scrutinised for significant issues in how it calculates baselines.

Under carbon crediting practices, the baseline is the 'business-as-usual' scenario, representing what would have happened in the absence of the project, and projects estimate their emission reductions by comparing the project's emission level with the baseline emission. In Article 6, carbon crediting projects need to ensure their baseline scenario is "set in a conservative way and below 'business as usual' emission projections". Yet the TREES standard approach adopted by Guyana, [allows for an increase in the baseline](#), meaning baseline emissions can rise over time. Therefore under this approach, the project can continue issuing emission reduction credits even if actual emissions are increasing, as long as the rise is less than the inflated baseline scenario. In practice, a country can be rewarded with carbon credits while its emissions increase. This fundamentally undermines additionality and environmental integrity.

In spite of such severe quality issues, the reviewers were not able to question the legitimacy of these credits as this goes beyond their mandate. They identified inconsistencies in Guyana's Initial Report related to 16 specific reporting requirements, but these refer mainly to the lack of complete information. This limitation exists because reviewers are only authorised to comment on Article 6 reporting requirements, and not on the quality of Guyana's carbon credits. Nevertheless, reviewers managed to convey their concerns. The table below reports some passages from [Guyana's review report](#) and clarifies the issues hinted at by reviewers.

What the reviewers say	What it means
<p>“However, the information reported by Guyana was not found to be sufficiently transparent or complete in relation to how the cooperative approach ensures that there is no net increase in global emissions [...]or how, in the case of continued deforestation and if the sequestration rate of the remaining forests does not change, the cooperative approach will ensure a mitigation effect.”</p>	<p>The reviewers deem that reported information is not complete enough to satisfy Article 6 reporting rules. However, reviewers went further than simply stating that information is not “sufficiently transparent or complete”, they hint that if deforestation is continuing, then there are no emission reductions and therefore no mitigation effect.</p>
<p>“However, the information reported by Guyana was not found to be sufficiently transparent or complete in relation to how the application of TREES, in particular the high forest, low deforestation provisions, resulted in conservative reference levels and baselines set in a conservative way and below ‘business as usual’ emission projections. The Article 6 TERT noted that the high forest, low deforestation crediting approach adopted by Guyana under TREES allows for an increase in the Party’s baseline, based on historical reference data, by a value equal to its high forest, low deforestation score [...]. Such upward adjustments do not constitute a conservative baseline or a level below ‘business as usual’.”</p>	<p>Reviewers are highlighting concerns about ART TREES’ High Forest Low Deforestation (HFLD) carbon credit baseline setting approach, which is riddled with <a href="#">widely known quality issues</a>. The HFLD baseline setting approach is problematic because it allows for an adjustment that artificially increases the baseline. This enables the project to issue far more credits than it would normally be eligible to do: for example, <a href="#">Guyana’s HFLD credits from 2016-2020 are estimated to be overestimated by 84%</a> (the equivalent of 28.2 million carbon credits). This results in hot air credits that enable greenwashing through compliance towards Nationally Determined Contributions (NDCs), CORSIA obligations, and corporate climate commitments.</p> <p>The fact that in a review process with such a limited scope, the reviewers still declare that baselines do not comply with the rules tells a lot about the seriousness of quality concerns regarding these credits.</p>

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What the reviewers say	What it means
<p>“However, the information reported by Guyana was not found to be sufficiently transparent or complete in relation to how the 5 per cent buffer effectively mitigates the risk of reversal”</p>	<p>This is another case emphasising that decisions taken by Guyana lead to low credit quality and that reviewers can only flag that the information provided is not sufficiently transparent. Guyana has chosen to contribute only 5% of the total credits to the buffer pool, which is the lowest contribution possible under ART TREES.</p> <p>Under <a href="#">ART TREES</a>, the assumed baseline on reversal risk starts at 25%. To lower that risk level, projects can highlight relevant mitigating factors. In this case, Guyana claimed all possible mitigation factors, resulting in the reversal risk dropping substantially from 25% to 5%.</p> <p>Essentially, Guyana is aiming to demonstrate that the carbon stored in its forests is at the lowest possible risk of being released back into the atmosphere. And given that the buffer pool is a reserve designed to address potential reversals, there is no guarantee of the permanence of these credits.</p> <p>In the case where the project developers leave the ART programme, all buffer contributions are cancelled to compensate for future reversals. This means that Guyana is able to abandon the programme once credits have been issued without further repercussion beyond the cancellation of the ringfenced 5% of credits, even though such a development would likely lead to increased deforestation rates.</p>

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What the reviewers say	What it means
<p>“However, the information reported by Guyana was not found to be sufficiently transparent or complete in relation to how the application of the Cancun safeguards and use of TREES results in the minimisation and, where possible, avoidance of negative environmental, economic and social impacts”</p>	<p>The reviewers are finding that Guyana is not providing ample information regarding how the project is minimising or avoiding environmental, economic and social impacts.</p> <p>In its <a href="#">Initial Report</a>, rather than providing the requested information, Guyana provided a justification that it reports under ART TREES on each of the Cancun Safeguards - which are measures designed to prevent harm to local communities and the environment under the UN REDD+ framework - and that under ART TREES, this information is independently verified. The reviewers’ response challenges Guyana to explain how reporting on the Cancun Safeguards leads to minimisation or avoidance of negative impacts. Under their limited mandate the reviewers could not bring attention to the specific and various problems of Guyana's approach, for example, that concerns raised regarding human rights violations have never been properly addressed: after the project was approved by Guyana, the Amerindian Peoples' Association (APA), an Indigenous Peoples' organisation, filed a letter of complaint to the ART grievance mechanism. This grievance was handled in a <a href="#">problematic</a> way: the process was not independent, and the issues raised, such as the failure to respect Free, Prior and Informed Consent (<a href="#">FPIC</a>), were not adequately addressed. In this context, the project remains at risk of continuing human rights violations, yet the review process can not impose actions to ensure that this issue will be addressed.</p>

Source: UNFCCC Secretariat. (2025). *Report on the technical expert review under Article 6, paragraph 2, of the Paris Agreement of the Initial Report of Guyana: Addendum.*  
<https://unfccc.int/documents/647010>

The Article 6 review of Guyana’s Initial Report shows that while reviewers are able to highlight quality critiques, they are constrained in enforcement of any real changes. For most of the problematic aspects of this project, they can only flag a lack of transparency in the information provided, but they can not question the information provided.

## Even when review results flag blatant examples of low-quality credits, there is no consequence or remedial action enforced

### ● Case study: Vanuatu and Guyana

In certain cases, reviewers have identified egregious integrity failures. Despite their limited mandate, they do make this clear in reports with relation to certain specific requirements. Yet the diplomatic language they must use in reporting obscures the true severity of these quality issues.

Countries are required to describe how their cooperative approach ensures environmental integrity through conservative baselines. Article 6 carbon crediting projects must ensure their baseline scenario is “set in a conservative way and below ‘business as usual’ emission projections”. However, our analysis shows two standout cases where countries use methodologies that violate this fundamental requirement.

The first regards Guyana's approach, elaborated in the previous [section](#), in which the baseline is allowed to increase, meaning that a country can be rewarded with carbon credits while its emissions increase. The second case is when a country openly declares it is not following the rules: Vanuatu disclosed in its report that it is using a Clean Development Mechanism methodology that does not require baselines to be set below business-as-usual projections<sup>4</sup>. In response, the reviewers recommended Vanuatu must shift to suitable baselines as soon as possible.<sup>5</sup> The implications are severe: the country is using a methodology that does not comply with Article 6 rules. The reviewers acknowledge this situation but are unable to directly call for a resolution, likely because they are constrained from doing so.

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<sup>4</sup>“Vanuatu specified that a clean development mechanism methodology is being applied that does not require a baseline to be set below ‘business as usual’ emission projections, and the participants in the mitigation activity under the cooperative approach will replace the methodology at the end of December 2025. The Article 6 TERT acknowledges the additional information provided by Vanuatu, but recommends that Vanuatu shift as soon as possible to baselines that are set below ‘business as usual’ emission projections [...]” Source: UNFCCC Secretariat (2025). Report on the technical expert review under Article 6, paragraph 2, of the Paris Agreement of the Initial Report of Vanuatu: Addendum. <https://unfccc.int/documents/646764>

<sup>5</sup> “The high forest, low deforestation crediting approach adopted by Guyana under TREES allows for an increase in the Party's baseline, based on historical reference data, [...] Such upward adjustments do not constitute a conservative baseline or a level below ‘business as usual’ [...] The Article 6 TERT [...] recommends that the Party include further information in its future reporting on how baselines are set in a conservative way and below ‘business as usual’ emission projections.” Source: UNFCCC Secretariat. (2025). Report on the technical expert review under Article 6, paragraph 2, of the Paris Agreement of the Initial Report of Guyana: Addendum. <https://unfccc.int/documents/647010>

The two highlighted cases clearly show that countries are using methodologies that will deliver low-quality credits and are non-compliant with Article 6 requirements. The review process is unable to actually do anything meaningful regarding such non-compliance. There is nothing to prevent these credits from being traded to offset the ongoing emissions of airlines, corporations and countries. This demonstrates how the review, the only formal check under Article 6, is inadequate for conducting genuine scrutiny.



## A review process not fit for purpose

The review process, in its current design, does not effectively contribute to raising accountability of carbon crediting processes under Article 6: it is unhelpful for enabling public scrutiny as reviewers do not have a mandate to enforce action on integrity issues and additional information requested by the reviewers from participant countries is undisclosed.

What the review checks is alignment with the Article 6 reporting requirements. However, the ability of the review process to enhance transparency is weakened by the fact that reviewers do not have the authority to verify the information provided and inconsistencies are not met with meaningful consequences.

The role of the review process is further undermined by the fact that credits can be traded at any stage, even without compliance: credits can still be traded after inconsistencies are identified<sup>6</sup>, before the review process begins and even before any information about the underlying cooperative approach is published<sup>7</sup>. This highlights an absence of effective controls to prevent the trading of credits.

Our analysis of the first Article 6.2 review round shows that rules are too weak to guarantee accountability and the review process is ineffective at addressing any of the problematic elements that clearly emerged so far in Article 6 international trades.

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<sup>6</sup> [Decision 4/CMA.6](#) (Article 6.2 decision from COP29), paragraph 40: there is only a “request” to countries not to use ITMOs with identified inconsistencies to reach their NDCs, but there is no obligation to prohibit their use.

<sup>7</sup> [Decision 2/CMA.3](#) (Article 6.2 decision from COP26), Annex (Guidance on Cooperative Approaches), paragraph 18: the submission of the information can happen “no later than authorisation of ITMOs” but the country has discretion over whether it can happen later than that when the units could already have been transferred and used.

## How to strengthen the review process

The review process needs to be considerably strengthened in 2028 when all the existing Article 6 rules are open for revision and possible renegotiation.

Carbon Market Watch suggests the following recommendations to improve the review process and accountability of Article 6 international carbon crediting transactions:

- 01.** Paragraph 10 of the COP27 decision<sup>8</sup> must be revised to extend the mandate of the reviewers to allow assessment of not only compliance with reporting requirements, but also the quality of cooperative approaches and any underlying credits;
- 02.** No credits should be tradeable until the review process has been finalised;
- 03.** The additional information that is submitted by countries during the review process should be made public;
- 04.** Inconsistencies must be clearly identified and publicly flagged in the AEF (Agreed Electronic Format) and on the centralised accounting and reporting platform (CARP);
- 05.** Trading of credits belonging to a cooperative approach that has been identified as having inconsistencies should be forbidden, especially when concerns are raised over the quality of carbon credits or issues regarding human rights and social safeguards.

The focus of this report is on the key concerns raised after reviewing the first batch of Article 6 credits. Yet, the current Article 6 framework has many more fundamental weaknesses, and the 2028 review must comprehensively address all of the scheme's shortcomings and loopholes. Inaction will result in the Article 6 mechanism not fulfilling its intended purpose: to increase ambition in climate action.

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<sup>8</sup> [Decision 6/CMA.4](#) (Article 6.2 decision from COP27), Annex II, paragraph 10



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