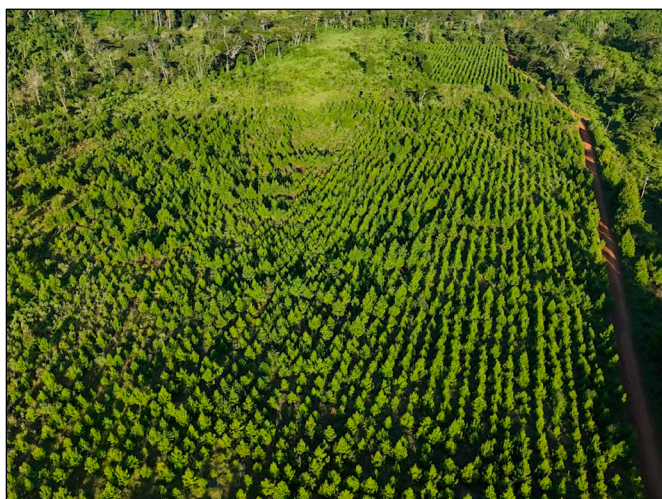




MALAWI GOVERNMENT

MINISTRY OF NATURAL RESOURCES AND CLIMATE CHANGE
ENVIRONMENTAL AFFAIRS DEPARTMENT



CARBON MARKET FRAMEWORK



JULY 2025



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CARBON MARKET FRAMEWORK

Ministry of Natural Resources and Climate Change
Environmental Affairs Department

JULY, 2025

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ACRONYMS AND ABBREVIATIONS

°C	Degrees Celsius
A6.2LOA	Letter of Authorization for Mitigation Activities under Article 6.2
A6.4ERs	Article 6.4 Emissions Reductions
A6.4LOA	Letter of Authorization for Mitigation Activities under Article 6.4
BAU	Business as Usual
BTR	Biennial Transparency Report
CA	Corresponding Adjustment
CR	Carbon Registry
CCS	Carbon Capture and Storage
CCU	Carbon Capture and Utilization
CDM	Clean Development Mechanism
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CO ₂	Carbon dioxide
CO ₂ eq	Carbon dioxide equivalent
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
DOE	Designated Operating Entity
EAD	Environmental Affairs Department
EI	Environmental Integrity
ETF	Enhanced Transparency Framework
FOEN	Switzerland's Federal Office for the Environment
FOR	Formal Recognition
GCF	Green Climate Fund
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	Greenhouse Gas
GS	Gold Standard
ICM	International Carbon Markets
ICS	International Carbon Standard
ITMO	Internationally Transferred Mitigation Outcome
LT-LEDS	Long-Term Low Emission Development Strategy
MAD	Mitigation Activity Developer
MADD	Mitigation Activity Design Document

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MAP	Mitigation Activity Participant
MAAP ITR	Mitigation Action Assessment Protocol for International Transfer Readiness
MA-ID	Mitigation Activity Identification Number
MAIN	Mitigation Activity Idea Note
MCMI	Malawi Carbon Markets Initiative
MCRS	Malawi's Carbon Registry System
MNRCC	Ministry of Natural Resources and Climate Change
MO	Mitigation Outcome
MoC	Modalities of Communication
MRV	Monitoring, Reporting and Verification
NDC	Nationally Determined Contributions
NIR	National Inventory Report
NSCCC	National Steering Committee on Climate Change
OCDE	Organization for Economic Cooperation and Development
OIMP	Other International Mitigation Purposes
SOP	Share of Proceeds
t	tons
UIN	Unique Identification Number
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market
VCP	Verified Carbon Project
VCS	Verified Carbon Standard
VER	Verified Emission Reduction
VVB	Validation/Verification Bodies

FOREWORD

The Government of Malawi recognizes the urgent need to address the challenges posed by climate change, which threaten sustainable development, ecosystems, and the livelihoods of our people. As a nation vulnerable to the adverse effects of a changing climate, we must adopt innovative and sustainable solutions to mitigate greenhouse gas emissions while fostering economic growth and climate resilience.

My Ministry under the leadership of His Excellency Dr. Lazarus McCarthy Chakwera, the State President of the Republic of Malawi, has developed the Malawi Carbon Market Framework representing a significant step forward in our commitment to climate action. This Framework establishes a structured approach to carbon trading, enabling Malawi to participate in both voluntary and compliance carbon markets. The Framework will leverage carbon finance and aim to incentivize green investments, promote renewable energy, enhance natural resources conservation, promote clean technology and support climate-smart agriculture while contributing to global emission reduction efforts.

As a Minister responsible for Carbon Trading in Malawi, I have made sure that this Framework aligns well with Malawi's National Climate Change Management Policy, the Nationally Determined Contributions (NDCs), and our long-term vision for Malawi that aims to create a wealthy and self-reliant industrialized upper-middle-income country by the year 2063 by pursuing a low-carbon, climate-resilient economy.

We extend our gratitude to all partners, experts, and stakeholders who contributed to the development of this Framework. Together, we can unlock new opportunities for sustainable development, empower local communities, and position Malawi as an active participant in the global carbon market. Let us seize this opportunity to build a greener, more prosperous future for generations to come.



Hon. Dr. Owen Chomanika, M.P

Minister of Natural Resources and Climate Change

PREFACE

Malawi, as a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, like many other developing countries, is poised to benefit from the growing international carbon market. As the world shifts towards a low-carbon economy, the opportunities for Malawi to leverage its natural resources and sustainable development initiatives to generate carbon credits and attract foreign investment are vast. However, navigating the complex landscape of international carbon markets requires a clear framework to ensure that Malawi's engagement is effective, sustainable, and aligned with national development priorities.

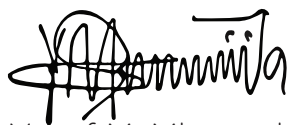
This document outlines how Malawi will engage into international Carbon Markets, providing comprehensive guidelines for harnessing the potential of carbon markets to drive sustainable development and climate action in Malawi. It provides clear guidelines for project developers, investors, and stakeholders to engage in carbon credit generation, ensuring transparency, equity, and environmental integrity.

The Framework is very crucial as it shall among others:

- 1. Facilitate climate action and environmental integrity:** By providing a structured approach to carbon market engagement. The Framework strengthens Malawi's commitment to reduce greenhouse gas emissions and achieve its Nationally Determined Contributions (NDCs) under the Paris Agreement;
- 2. Unlock financing opportunities:** A clear framework attracts international investment in carbon reduction projects, generating revenue for sustainable development initiatives;
- 3. Ensure sustainable development:** The Framework aligns carbon market engagement with national development priorities, ensuring that climate action supports broader sustainable development goals;
- 4. Promote transparency and accountability:** A well-defined framework provides a clear understanding of roles, responsibilities, and processes, reducing risks and ensuring accountability in carbon market transactions;
- 5. Enhance credibility and reputation:** By demonstrating a commitment to a structured approach to carbon market engagement, Malawi can enhance its credibility and reputation among international partners and investors;
- 6. Support carbon pricing and taxation:** A carbon market framework can inform the development of carbon pricing and taxation mechanisms, generating revenue for the Government and incentivizing low-carbon practices; and
- 7. Foster cooperation and collaboration:** The Framework encourages collaboration among Government agencies, private sector entities, and civil society organizations, promoting a coordinated approach to carbon market engagement and thus avoid double counting.

By establishing a clear and comprehensive carbon framework, Malawi can effectively navigate the international carbon market, achieve its climate goals, and support sustainable development.

The Government of Malawi expects that all stakeholders participating in all types of Carbon Markets to comply with the provisions of this Framework.



Yusuf M. Mkungula, PhD

Secretary for Natural Resources and Climate Change

ACKNOWLEDGEMENT

The Malawi's Carbon Market Framework for engaging in international carbon markets was developed with technical and financial support from the Government of Switzerland through the United Nations Development Programme (UNDP), under the Article 6 Transfer Readiness Assistance Project.

The preparation of the Carbon Market Framework was led and coordinated by the Environmental Affairs Department (EAD) under the guidance of the Ministry of Natural Resources and Climate Change.

The process benefited from technical input and expertise from a broad range of stakeholders involved in climate change governance in Malawi. These included the Expert Working Group on Mitigation, the National Technical Committee on Climate Change and Disaster Risk Management, the Malawi Carbon Market Initiative (MCMI), the National Steering Committee on Climate Change, the academia, civil society, development partners, and the private sector (developers and investors).

The Government of Malawi, through the Ministry of Natural Resources and Climate Change, extends its sincere appreciation to all partners whose contributions were instrumental in the development of this framework.



Tawonga Mbale-Luka

Director of Environmental Affairs

EXECUTIVE SUMMARY

Malawi is taking significant steps towards its full participation in the International Carbon Markets (ICM) as guided by the Paris Agreement. Previously, Malawi participated in the ICM through the Clean Development Mechanism (CDM) under the Kyoto Protocol which has now phased out. With the Paris Agreement in place, Article 6.2 of the Agreement, allows countries to cooperate in order to achieve their Nationally Determined Contributions (NDCs) through transferring of mitigation outcomes. Malawi updated and published its NDCs in July 2021, where several climate actions that include emission reduction actions are outlined. According to its NDCs, Malawi is committed to reduce 51% of its greenhouse gas emissions (GHG) by 2040 of which 6% are unconditional meaning that the target can be met domestically; and 45% are conditional targets, subject to getting external support for implementation. Considering the high ambitious targets set in the NDCs, the country requires support to mitigate its GHG emissions and adapt to climate change impacts.

As a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, Malawi is eligible to participate in ICM as one of the means of contributing to climate change mitigation and contributing to sustainable development. The Government of Malawi, through the Ministry of Natural Resources and Climate Change (MNRCC), has therefore developed the Carbon Market Framework for engagement into ICM. The Framework has been developed to guide the implementation, monitoring and reporting of carbon projects in Malawi, support greenhouse gas emissions reduction, and support mobilization of climate finance for implementation of Malawi's NDC and national development agenda. The Framework covers both the compliance market under Article 6 of the Paris Agreement and the Voluntary Carbon Market (VCM) that operates outside the Article 6 rules. In addition, as part of readiness, Malawi has also prepared its National GHG Inventory Report and updated its NDCs as minimum requirements to participate in ICM.

Malawi is also committed to the implementation of the Enhanced Transparency Framework (ETF) under the Paris Agreement to ensure that the projects that are being implemented on Carbon Markets are transparently reported while ensuring that there is no double counting by application of Corresponding Adjustments (CA) as enshrined in the Paris Agreement.

Malawi is committed to implement Article 6 of the Paris Agreement which is composed of Article 6.2, Article 6.4 and Article 6.8.

- Article 6.2 (Cooperative Approaches): Allows countries to voluntarily work together in a decentralized manner (setting their own rules) for their NDC achievement. This includes emissions trading, where countries can sell and purchase emission reductions through Internationally Transferred Mitigation Outcomes (ITMOs), or other forms of cooperation through bilateral, unilateral or multilateral arrangements which must lead to increasing the ambition of mitigation and adaptation measures of the NDC.

- Article 6.4: The New Market Mechanism under the Paris Agreement Crediting Mechanism (PACM) is designed to facilitate cooperation through a centralized platform, introduced for countries that plan to transfer ITMOs, and issuance of Mitigation Carbon Units (MCUs) and Overall Mitigation of Global Emissions (OMGEs) but prefer such cooperation to take place under the UNFCCC's supervision and rules. The Mechanism will promote technology transfer and knowledge, as well as facilitate the mobilization of financial resources to support mitigation and adaptation efforts in the host country.
- Article 6.8 (Non-Market Approaches): This makes use of policies and measures that do not involve the transfer of MOs or other market mechanisms. These can include regulations, standards, taxes, and other forms of government intervention. This approach recognizes that emissions trading and other market mechanisms are not always feasible or appropriate for all countries and/or sectors, and that non-market approaches can also be effective in promoting emission reductions.
- Malawi further commits to support VCM that uses standards outside Article 6 rules but contributes to emission reductions and will use it for NDC achievement and other domestic purposes.

To implement this Framework, Malawi will apply the following principles applicable under Carbon Markets that :

- a. Each transaction in a carbon project results in a reduction or removal of greenhouse gas emissions;
- b. Mitigation activities promote technology development and transfer, and creation of green jobs;
- c. Mitigation outcomes are measured and accounted for in tons of carbon dioxide equivalent;
- d. Emissions from carbon projects must be kept out of the atmosphere for a reasonable period;
- e. Each offset scheme must be properly documented;
- f. Each carbon project must adhere to environmental integrity;
- g. Each carbon project must contribute to sustainable development goals under carbon markets and the Malawi 2063; and
- h. Uphold Transparency and Accountability of carbon projects mitigation activities to avoid double counting by applying Corresponding Adjustments (CA).

The Government of Malawi has established a governance structure for Carbon Trading in the country with the following institutional arrangement:

a. Ministry of Natural Resources and Climate Change (MNRCC) and Environmental Affairs Department (EAD)

The MNRCC is the Authorizing Entity (AE) of all Carbon Market projects in Malawi. The Environmental Affairs Department (EAD) is the Designated National Authority (DNA) for Carbon Trading in the country. The DNA is the entry point for all carbon market projects (Mitigation Activities). EAD hosts the Carbon Market Office that supports all carbon project developers and investors in Malawi. The DNA is responsible for overseeing carbon market transactions, ensuring compliance with the Regulations, Approvals, Authorization and preventing double counting of emissions reductions as well as managing a Carbon Registry and reporting through the ETF. The DNA will also maintain a list of recognized carbon standards and to provide guidance on the application of corresponding adjustments and project eligibility.

b. National Steering Committee on Climate Change (NSCCC) shall provide policy direction, oversight and guidance on all matters regarding international carbon markets in the country.

c. Mitigation Expert Working Group (MEWG) shall provide technical advice and recommendations to the DNA on the projects eligible to participate in carbon markets in line with country priorities as well as in alignment with Article 6 mechanisms to achieve and uphold the ambition of Malawi's NDC.

The Framework also provides the minimum requirements for Mitigation Activity Participants (MAPs) in Carbon Trading in Malawi; participation of local entities; fees, charges and share of proceeds from the projects; information disclosure; Monitoring, Reporting and Verification; requirements. Further, the Framework provides for eligible activities to participate on carbon trading in Malawi covering all mitigation sectors of the NDCs which are: Agriculture and Other Land Use (AFOLU), Energy, Industry and other Product Use (IPPU); and Waste.

In addition, the Framework also defines the mitigation activity development cycle which outline the process that shall be followed by any interested entity seeking to implement mitigation activities under Article 6 and Voluntary Carbon Market (VCM). All carbon market projects are required to be registered into the Malawi Carbon Registry System (MCRS) and will be subjected to Validation and Verification using certified Verification and Validation Bodies (VVBs) that are registered by the DNA in the MCRS. The Government will utilise the International Carbon Registries until its MCRS is fully functional.

The Framework has provided for eligible mitigation activities which must effectively contribute to the level of ambition of Malawi's conditional NDC mitigation actions as appropriate and respect human rights. These are listed in the positive list of the Framework in Table 4 and the negative list is listed in Table 5.

In this Framework, Malawi has defined the accepted methodologies and standards for estimating emissions reductions generated by implemented Mitigation Activities for authorized ITMOs towards use of NDC achievement of another participating Party and/or Other International Mitigation Purposes (OIMPs). Government may establish a structured mechanism for approving new methodologies in the future, which will contribute to the continuous improvement of this Framework. Malawi has pre-approved methodologies under some of the international crediting standards.

Government has set requisites from the VVBs and UNFCCC Designated Operating Entities (DOEs) whereby Government recognizes DOEs under the UNFCCC's accreditation and VVBs accredited by other International Carbon Standards (ICS). It is a requirement that all VVBs validating and verifying projects in Malawi, be registered in the MCRS. All DOEs recognized by the UNFCCC shall be eligible to conduct validation of projects in Malawi under Article 6.4.

Malawi shall have a MCRS that shall be used for reporting purposes and will not be transactional in the initial stages. Government shall establish procedures to register, issue, track and transfer ITMOs under Article 6 and VCM.

The Framework provides for fees schedule and share of proceeds to cover administration costs of the Carbon Market Office; and Share of Proceeds (SOP) to fund adaptation and possibly mitigation activities in Malawi. The SOPs accrued from carbon trading will mainly be used to support implementation of climate actions in the country. The Government will also charge a fee for use of public land to implement carbon market projects. Government may also charge royalties from carbon trading initiatives from upside market and subsequent transfer of the ITMOs after issuance to the first acquiring party.

Malawi's Carbon Market Framework provides a structured approach to carbon market participation ensuring that emission reductions contribute to national climate goals while fostering sustainable development and contribute to implementation of the Malawi 2063 including its 10-year Implementation Plan. By leveraging international cooperation, Malawi aims to leverage climate finance, enhance mitigation efforts and meet its NDC targets effectively while contributing to socio-economic development of the country.

1

Background and Introduction

This Chapter provides a policy context for carbon trading in line with the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and outlines the national policy framework that supports carbon trading.

1.1 The Paris Agreement, Nationally Determined Contributions (NDCs) and Article 6

- 1.1.1 Article 2a of the Paris Agreement sets the goal of limiting global warming to well below 2°C above pre-industrial levels and to pursue efforts of limiting it to 1.5°C. Additionally, Article 4 of the Agreement provides for Nationally Determined Contributions (NDCs), country-led climate actions for the collective achievement of the global temperature goal. NDCs are a significant part of climate change management and sustainable development.
- 1.1.2 Climate pricing (carbon pricing) features prominently among the policy tools that most countries adopt to facilitate NDC implementation. International carbon markets have played a critical role in global climate architecture as they have created about four billion tons of carbon credits worldwide in the last 20 years (GGGI, 2021). Moreover, the Kyoto Protocol's mechanisms i.e. the Clean Development Mechanism (CDM) and Joint Implementation (JI) together account for more than 70% of carbon credits; and, the CDM alone has catalyzed more than USD 400 billion in low-carbon investments for developing countries (Fenhann, 2020).
- 1.1.3 Following the Kyoto Protocol's initial structure, the Paris Agreement maintained and enhanced the international carbon market and non-market instruments. To do so, the Parties to the Paris Agreement established Article 6 as the basis for voluntary cooperation and the International Transfer of Mitigation Outcomes (ITMOs).
- 1.1.4 Article 6 of the Paris Agreement comprises three main components:
 - 1.1.4.1 Article 6.2 (Cooperative Approaches):** This allows countries to voluntarily work together in a decentralized manner (setting their own rules) for their NDC achievement. This includes in emissions trading, where countries can sell and purchase emission reductions through ITMOs, or other forms of cooperation through bilateral, unilateral or multilateral arrangements. The voluntary cooperative approach involving ITMOs must lead to increasing ambition of mitigation and adaptation measures of the NDC.

1.1.4.2 Article 6.4 (The New Mechanism): This is designed to facilitate cooperation via a centralized platform, introduced for countries that plan to transfer ITMOs, issue Mitigation Carbon Units (MCUs) and Overall Mitigation of Global Emissions (OMGEs) but prefer such cooperation to take place under the supervision and rules of the UNFCCC. This mechanism promotes technology transfer and knowledge, as well as facilitate the mobilization of financial resources to support mitigation and adaptation efforts in the host country.

1.1.4.3 Article 6.8 (Non-Market approaches): This approach makes use of policies and measures that do not involve the transfer of MOs or other market mechanisms. These can include policies, regulations, standards, taxes, and other forms of Government intervention. This component recognizes that emissions trading and other market mechanisms are not always feasible or appropriate for all countries and/or sectors, and that non-market approaches can also be effective in promoting emission reductions.

- 1.1.5 To ensure that generated MOs are properly counted as ITMOs which can be authorised, verified, issued and transferred, the market mechanisms established in Articles 6.2 and 6.4 of the Paris Agreement, Article 6 on Modalities, Procedures and Guidelines (MPGs) introduced an instrument known as “Corresponding Adjustment” (CA). CA ensures the avoidance of double counting of emission reductions and removals.
- 1.1.6 If one Party transfers ITMOs (selling/transferring country) to another one (buying/receiving country) as part of a cooperative approach, only the buying Party is eligible to claim that reduction towards their respective NDCs, International Mitigation Purposes (IMP) and Other International Mitigation Purposes (OIMP) or OMGEs and the selling Party shall report on the transfer as adjustment to its greenhouse gas emission in the annual emission balance submitted to the UNFCCC. Corresponding Adjustment will be applied to first transferred ITMOs.

1.2 Malawi's participation under Article 6

- 1.2.1 The Government of Malawi is committed to addressing climate change issues in the country. This is attested by signing the UNFCCC on 10th June 1992 and ratifying it on 21st April 1994. Malawi acceded to the Kyoto Protocol in 2002 and ratified the Paris Agreement in 2017. The Ministry of Natural Resources and Climate Change (MNRCC) through Environmental Affairs Department (EAD) is the national focal point for all climate change issues and is the Designated National Authority for the Clean Development Mechanism (CDM) established under the Kyoto Protocol since 2007 and Article 6 of the Paris Agreement. The Ministry serves as the Authorizing Entity.

- 1.2.2 Government of Malawi submitted its updated NDC to the UNFCCC in July 2021 setting a 51% GHG emission reduction target against the 2040 Business as Usual Scenario using a 2017 baseline. The target is comprised of unconditional (domestically-supported) GHG emission reduction target of 6% (equivalent to 2.1 MtCO₂eq) by 2040 and an additional conditional 45% (externally-supported) emission reduction target (equivalent to 15.6 MtCO₂eq), given all conditional activities are implemented. Thus, Malawi's contribution to the global greenhouse gas mitigation ambition amounts to a total potential of 17.7 MtCO₂eq. To fully implement its NDC and achieve the target by 2040, Malawi needs USD 46.3 billion in total of which USD11.1 billion is from domestic support (Unconditional) and USD35.2 billion is from external support (Conditional).
- 1.2.3 Considering the high ambitious targets set in Malawi's NDCs to address climate change, the country requires support to mitigate its GHG emissions and adapt to climate change impacts. Operationalization of the Malawi Carbon Market Framework will leverage additional finance to support implementation of the NDCs.
- 1.2.4 Malawi plans to submit its updated NDC3.0 in September 2025. Significant changes made to the NDC target may impact on how much additional emission reductions Malawi may achieve to increase its ambition. Thus, Malawi will revise the relevant parts of this framework to ensure consistency with the updated NDC.
- 1.2.5 To operationalize Article 6 of the Paris Agreement, the Government has developed this Framework, which provides the necessary processes and procedures for operationalizing Article 6 engagement.
- 1.2.6 This Framework provides for:
- 1.2.6.1 Malawi's participation in international carbon markets under Article 6.2 of the Paris Agreement on voluntary cooperative approaches for the implementation of, and ambition raising of Malawi's NDCs.
 - 1.2.6.2 Article 6.4 that provides for the guidelines for operationalizing Rules, Modalities and Procedures (RMPs) of Article 6.4 in Malawi.
 - 1.2.6.3 The Voluntary Carbon Market (VCM) using other standards outside Article 6 rules that requires authorization for IMP and OIMP.
- 1.2.7 The Carbon Market Framework for Malawi shall be binding and will be re-enforced by the Climate Change Bill, and shall guide all the processes, procedures and requirements involved in participation on carbon credit trading in Malawi for both the voluntary (OMP), CORSIA (OIMP) and bilateral engagements (NDC).
- 1.2.8 All stakeholders participating in carbon credit trading in Malawi are required to comply with the provisions of the Framework.

1.3 Framework's overview

- 1.3.1 To formally institutionalize and guide its efforts, Malawi has developed this Carbon Market Framework (also referred to as “Framework”) for participating in the Paris Agreement’s Article 6 market-based mechanisms, to complement its climate action as well as domestic and international climate finance resource mobilization efforts.
- 1.3.2 This Carbon Market Framework has been developed to provide detailed guidance on how the country can participate in Article 6 of the Paris Agreement as well as the Voluntary Carbon Markets (VCM) in a transparent, effective, and equitable manner.
- 1.3.3 The Carbon Market Framework details the needed requirements for its country-wide operationalization and is comprised of four main chapters as follows:
 - 1.3.3.1 National institutional arrangements for Article 6 engagement, which include:
 - i. National Institutional structures for Article 6.2 implementation.
 - ii. National Institutional structures for Article 6.4 implementation.
 - 1.3.3.2 Malawi’s requirements and principles for Article 6 participation including:
 - i. Article 6.2 and Article 6.4 participation requirements;and
 - ii. General guiding principles that shall guide Malawi’s Article 6 engagement (i.e. environmental integrity, transparency, sustainable development objectives and social benefits).
 - 1.3.3.3 Malawi’s Mitigation Activity Development Cycle detailing the general steps that Mitigation Activity Participants shall follow to:
 - i. develop Article 6.2 Mitigation Activities in Malawi;
 - ii. develop Article 6.4 Mitigation Activities in Malawi; and
 - iii. develop VCM Mitigation Activities in Malawi.
 - 1.3.3.4 General requirements for Mitigation Activity Development comprised of thirteen sections:
 - i. Environmental Integrity requirements for Mitigation Activity Development;
 - ii. Eligibility of Mitigation Activities under Article 6.2 and Article 6.4 (positive and negative lists);
 - iii. Eligible methodologies under Article 6.2 and Article 6.4;
 - iv. Requisites for Validation and Verification Bodies and Designated Operating Entities;
 - v. Mitigation Activity authorization specifications for Article 6.2 and Article 6.4;
 - vi. The manner in which Corresponding Adjustments shall be applied and their associated reporting requirements;

- vii. Requirements for registry, issuance and tracking of authorized MOs;
- viii. Article 6.2 Fees;
- ix. Article 6.4 Fees;
- x. Information on Malawi's National Buffer Account;
- xi. Ambition in Mitigation and Adaptation;
- xii. Provisions for enforcement, appeals, non-compliance and penalties; and
- xiii. Revisions and updates to the Carbon Market Framework.

1.3.4 Furthermore, in order to provide additional detailed guidance and information, the Carbon Market Framework includes seven annexes as follows:

- i. Letters, templates and forms that MAPs shall use for the development of Mitigation Activities to operationalizing the Carbon Market Framework;
- ii. Guidelines for Article 6.2 Cooperative Approaches, providing specific details on the principles for developing Mitigation Activities within Malawi;
- iii. Internal checklists that shall be used as guidance to ensure that validation and verification reports comply with international standards;
- iv. The Mitigation Activity Idea Note (MAIN) evaluation tool to provide MAPs with details on the manner in which MAIN shall be evaluated;
- v. The Mitigation Activity Design Documents (MADD) evaluation tool to provide Mitigation Activity Participants with details on the manner in which MADD shall be evaluated;
- vi. Malawi's Needs and Gaps Assessment Report for Article 6 engagement; and
- vii. Definition of the Carbon Market Framework's terms in alphabetical order.

1.4 Embodiment of Malawi's Carbon Market Framework in the national legal structure

Section 1.4 describes how key national policy and legal frameworks support domestication of carbon trading in Malawi.

1.4.1 Key National Legislation

1.4.1.1 Malawi's operationalization of market-based approaches under Article 6 of the Paris Agreement, shall be guided by this Framework document, thereby responding to the following:

- i. **Chapter III: Fundamental Principles, Section 13 (k) of the Constitution¹ of Malawi** requires the Republic of Malawi to govern in accordance with the law of nations and the rule of law and actively support the further development thereof in regional and international affairs.
- ii. **Chapter III: Fundamental Principles, Section 13 (d, i-iv) of the Constitution** mandates the Republic of Malawi to manage the environment responsibly in order to:
 - a. prevent its degradation;
 - b. provide a healthy living and working environment for the people of Malawi;
 - c. accord full recognition to the rights of future generations by means of environmental protection and the sustainable development of natural resources; and
 - d. conserve and enhance the biological diversity of Malawi.
- v. **Chapter XXII: Transitional Issues, Section 211 (1) of the Constitution** sets that any international agreement ratified by an Act of Parliament shall form part of the law of the Republic if so provided for in the Act of Parliament ratifying the agreement.
 - a. As such, this Carbon Market Framework has been prepared in line with Malawi's ratification of the Paris Agreement on 29 June 2017, and Malawi's updated Nationally Determined Contribution (NDC), submitted to the United Nations Framework Conference on Climate Change (UNFCCC) on 30 July 2021.
 - b. As an internationally legally binding document to the UNFCCC, the submitted updated NDC states Malawi's intention to meet its contribution to global climate change efforts, inter alia, through the use of climate finance and international market mechanisms including the potential involvement in international cooperative approaches under Article 6 of the Paris Agreement.
 - c. Any relevant dispositions established under Act No. 19 of 2017, the Environment Management Act.

¹ [Constitution of the Republic of Malawi](#)

1.4.1.2 Under this context, this Carbon Market Framework is the blueprint for the Republic of Malawi's participation in Article 6 market-based approaches (Article 6.2 and Article 6.4) and VCM.

1.4.2 Other relevant national policies

1.4.2.1 This Carbon Market Framework has been developed in accordance with relevant national laws, policies, plans and programs related to environmental management and protection and/or national development, including but not limited to the following:

- i. The National Environmental Policy (2004);
- ii. The National Climate Change Management Policy (2016);
- iii. The Malawi 2063's First 10-Year Implementation Plan (MIP-1) 2021-2030: Transforming Malawi into a Middle-income Economy;
- iv. The National Agriculture Policy (2016);
- v. The National Forest Policy (2016);
- vi. The National Energy Policy (2018);
- vii. The National Transport Policy (2015);
- viii. The National Land Policy (2002).

1.4.2.2 Additionally, further legislations may be adopted and/or current ones may be amended by the Government of Malawi to strengthen Article 6 engagement and transactions in Malawi, therefore providing a stronger legal embodiment of this Framework .

2

National institutional arrangements for Article 6 engagement

This Chapter provides a description of the institutional arrangement, entities involved and their functions, responsibilities and compositions.

2.1 National institutional structure for Article 6.2 and Article 6.4

- 2.1.1 Malawi, as a Party to the Paris Agreement, is committed to Article 6 implementation. As such, its effective operationalization requires an efficient and accountable domestic institutional setup. The institutions involved must have the legal and administrative authority to implement and exchange ITMOs transparently and collaboratively on behalf of the Government.
- 2.1.2 Vested with the attributions presented under [Section 1.4 - Embodiment of Malawi's Carbon Market Framework in the national legal structure](#), the Government of Malawi has designed this institutional arrangement for Article 6 engagement, which includes the involvement of the following Governmental entities:
- i. **Ministry of Natural Resources and Climate Change** (hereinafter referred to as “MNRCC” throughout this Framework) has a critical role in implementing Article 6 and shall have the authority to determine the eligibility of mitigation activities, authorize ITMOs and ensure compliance with international standards.
 - ii. The **Environmental Affairs Department** (hereinafter referred to as “EAD” throughout this Framework) shall act as Malawi's Designated National Authority (DNA) and be responsible for Article 6 day-to-day operations.
 - iii. The **National Steering Committee on Climate Change** (also referred to as “NSCCC” in this Framework) shall provide policy direction, oversight and guidance on all matters regarding international carbon markets in the country.
 - iv. The **Mitigation Expert Working Group** (also referred to as “MEWG” in this Framework). The objective of this working group (amongst others) is to provide technical advice and recommendations to the DNA on the projects eligible to participate on carbon markets in line with country priorities as well as in alignment with Article 6 mechanisms to achieve and increase the ambition of Malawi's NDC. The MEWG shall perform its functions through the Joint Technical Committee on Climate Change (JTCCC).

2.1.3 These institutions shall have the mandate for making decisions, as well as providing technical, administrative and advisory services on the procedures for: approvals and authorization; accreditation; methodologies; registry and tracking; and reporting of eligible Mitigation Activities developed under the rules of Article 6.2 and 6.4. Figure 1 and Figure 2 below show the national institutional chart for Article 6.2 and Article 6.4 implementation and operationalization, respectively.

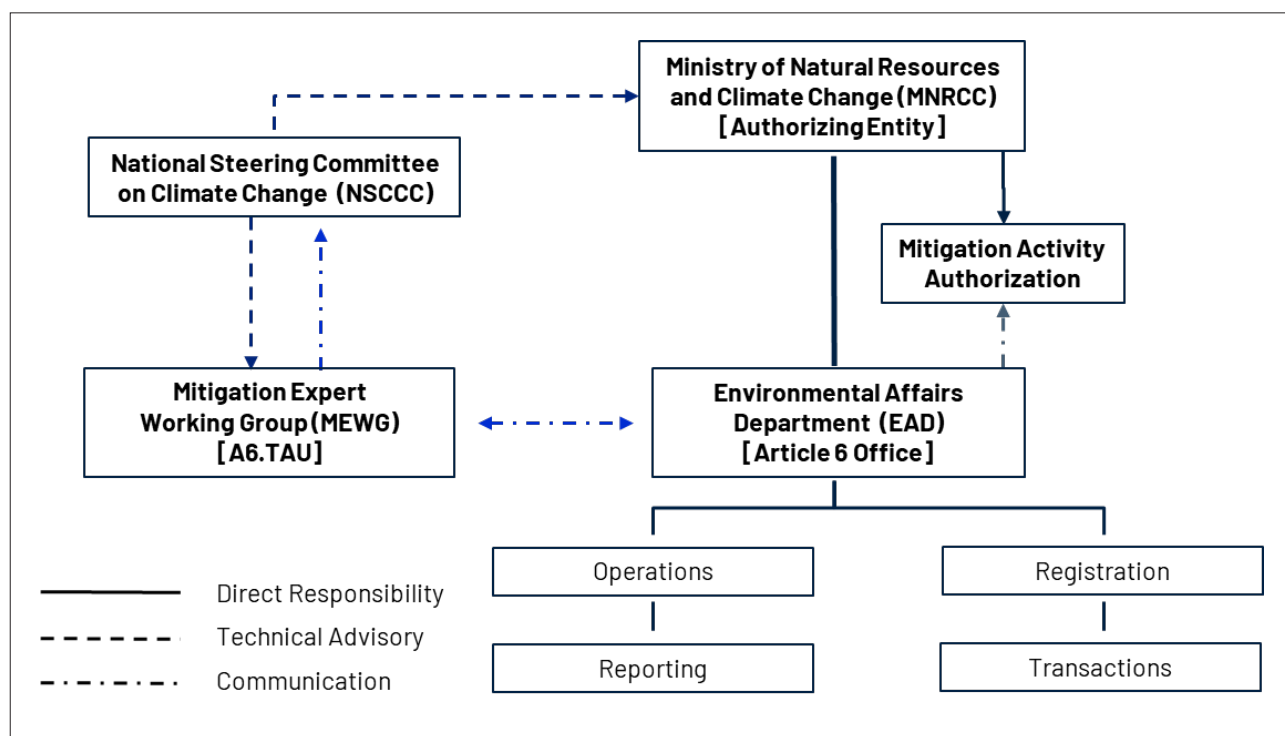


Figure 1: National Institutional chart for Article 6.2 implementation and operationalization

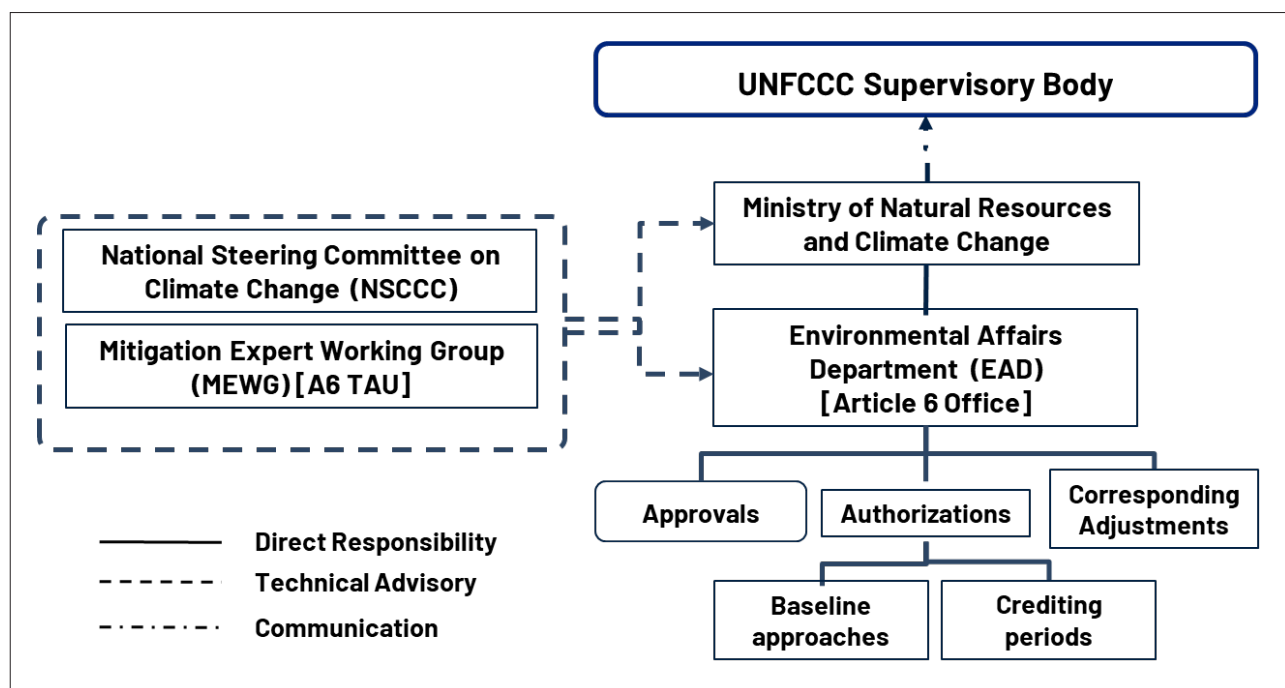


Figure 2: Malawi's Institutional chart for Article 6.4 implementation and operationalization

2.2 Detailed description of responsibilities under Article 6.2 and 6.4

The table below provides a list of key entities and describes their functions, responsibilities, composition and meeting frequency.

Table 1: Article 6.2 and 6.4 involved entities’ attributions

Entity	Functions	Responsibilities	Composition	Meeting frequency
Ministry of Natural Resources and Climate Change (MNRCC)	Authorization and provision of policy direction	▪ Authorization of Mitigation Outcomes created from Malawi’s eligible NDC mitigation activities for International Transfer under Article 6.2 and 6.4 ▪ Provide regular progress updates on Malawi’s participation in Article 6.2 and 6.4. implementation to the NSCCC and MCM ▪ Supervise and coordinate the adoption of bilateral engagements with prospective article 6.2 and 6.4. participating parties ▪ Receive petitions on grievances for resolution through Environmental Appeals Tribunal ▪ Recommend policy changes on Malawi’s Article 6.2 and 6.4. engagement.	Secretary for Natural Resources and Climate Change	Day to day basis
Environmental Affairs Department (EAD)	Authorization, approvals, rulemaking and operations (EAD as Article 6 Office)	The EAD as DNA shall: ▪ Approve regular reviews and recommendations from the MEWG on the following: ➢ Use of existing approved methodology under International Carbon Standards (ICSs) including PACM. ➢ Recognition of recommended independent assessment entities accredited under ICSs including PACM. ➢ National modalities for approving new baseline and monitoring methodologies.	Director of Environmental Affairs Carbon Market Office	Day to day basis

Entity	Functions	Responsibilities	Composition	Meeting frequency
		➤ National modalities of Accreditation of independent assessment entities.in absence of its carbon registry, Malawi will rely on the ICR and PACM until when the registry is ready. Malawi ca shall introduce a process to monitor the performances of VVBs and also introduce local content policy to support local expert participation to enhance technical capacity building. ▪ Administer MAP requests and respective creation of the MAP account and Mitigation Activity Participant Identification Number (MAP-ID) on Malawi's Carbon Registry System (MCRS). ▪ Facilitate mitigation activities and issuance of Letters of Authorization (LOAs) following a positive review of a validation report of the MADD. ▪ Facilitate requests for issuing MOs to eligible mitigation activities following a positive review of the verification report. ▪ List eligible independent assessment entities to carry out validation and verification. ▪ Establish and operate the Malawi Carbon Credit Registry System ▪ Administration and data management of Article 6.2 and 6.4 procedures ▪ Manage the Planning and implementation of Article 6.2 and 6.4 procedures ▪ Publish the list of projects and project entities generating MOs for Article 6.2. and 6.4 ▪ Transfer of ITMOs to the participating acquiring Party. ▪ Perform Corresponding Adjustments and Reporting in compliance with the requirements of the UNFCCC for authorized emission reductions under article 6.4.		

Entity	Functions	Responsibilities	Composition	Meeting frequency
		▪ Grant Mitigation Activity approvals in accordance with the obligations stated in chapter V.C, paragraph 40(a-c) of the annex to decision 3/CMA.3 and section 4.4-cycle for Mitigation Activity Development Under Article 6.4. ▪ Through the issuance of a host party participation requirement form, the DNA shall make public through the UNFCCC Supervisory Body, the Mitigation Activities that Malawi may approve under the Article 6.4 Mechanism pursuant to paragraph 40 (a-c) of the annex to decision 3/CMA.3. ▪ Through the issuance of a host party participation requirement, which shall cover the elements pursuant to paragraph 40-42 of the Annex to decision 3/CMA.3, Malawi shall communicate to the UNFCCC Supervisory Body the Mitigation Activities it may authorize for NDC use or use for Other International Mitigation Purposes. ▪ The DNA shall also make public through the UNFCCC Supervisory Body the following: ➤ Baseline approaches and other methodological requirements, including additionality with the explanation of its compatibility with the NDC, as appropriate, consistent with paragraph 27(a) of Annex to Decision 3/CMA.3. ➤ Information on crediting periods and options for the possibility of their renewal in accordance with Section 5.5 - Mitigation Activity authorization specifications for Article 6.2 and Article 6.4.		

Entity	Functions	Responsibilities	Composition	Meeting frequency
National Steering Committee on Climate Change (NSCCC)	Policy coordination and oversight	- Recommend policy changes on Malawi's Article 6.2 and 6.4, engagement. - Recommend on using existing, internationally recognized methodologies and validation and verification bodies under ICSs, as well as the national processes for approving methodologies and accrediting independent assessment entities. - Recommend the approval of the Mitigation Activities that Malawi shall host under the Article 6.2. and 6.4 mechanism. - Provide recommendations to the DNA on granting approvals/authorizations of Mitigation Activities under PACM to be hosted in Malawi before the request for registration in the mechanism registry by the UNFCCC Supervisory Body. - Provide recommendations on the criteria and lists of eligible activities that Malawi may approve and authorize under the PACM. - Provide recommendations for the adoption and future changes, as may be necessary, on the baseline approaches and methodological requirements for developing Mitigation Activities under PACM and their linkages with NDC parameters. - Provide recommendations on crediting periods and their potential renewal on Mitigation Activities that Malawi will host under the PACM	Principal Secretaries Climate Change Secretariat	Two times in the calendar year

Entity	Functions	Responsibilities	Composition	Meeting frequency
Mitigation Expert Working Group (MEWG)	Plays a role of Article 6 Technical Advisory Unit	- Review and update international methodologies, technical guidelines, and default factors where necessary. - Recommend NDC-related baseline parameters where applicable. - Oversee development of new methodologies, technical guidelines, and default factors by third parties where and when needed. - Provide analysis of the impact of potential projects/transfers on NDCs compliance. - Review and recommend the Mitigation Activity Design Document (MADD) for mitigation activities for authorization. - Review and recommend the issuance of MOs to eligible Mitigation Activities.	The Article 6 Technical Advisory Unit involves the collaboration of the following Ministerial personnel: - Finance - Agriculture - IPPU - FOLU – Forestry & Lands - Transport - Energy - Trade - Academia - Waste - MITC - NCST	Quarterly basis
Public Private Partnership Commission (PPPC)		- Facilitate the procurement of MAPs that intend to implement carbon project using public assets. - Capacity building of public and private stakeholder to effectively engage in carbon projects under PPP arrangement. - Review and recommend the MOUs and MAs under the PPP arrangement - Monitoring implementation of carbon projects under PPP arrangement to ensure transparency, competitiveness and compliance with legal and regulatory requirements.	PPPC Secretariat	One time in the calendar year (based on demand)

3

Malawi's requirements and principles for Article 6 participation

This Chapter provides minimum requirements for participating in international carbon trading and justifies Malawi's eligibility to participate under Article 6 of the Paris Agreement and VCM. It further introduces guiding principles for Article 6 engagement and Government tasks under Article 6.

3.1 Malawi's eligibility to participate under Article 6.2 requirements

- 3.1.1 Malawi is a Party to the Paris Agreement and is eligible to participate in a cooperative approach under Article 6.2, on a voluntary basis, consistent with the participation conditions per chapter I, paragraph 4 (a-f) of the annex to Decision 2/CMA.3².
- 3.1.2 Malawi ratified the Paris Agreement on 29 June 2017³, and subsequently maintained its latest NDC on the UNFCCC's NDC registry ⁴ per Article 4, paragraph 12 of the Paris Agreement to satisfy the obligations under chapter II, paragraph 4 (a-b) of the annex to Decision 2/CMA.3.
- 3.1.3 Consistent with its updated NDC⁵ (submitted in 2021), Malawi will take into consideration, the authorization and transfer of MOs in tCO₂eq units to meet the requirement outlined in chapter I, paragraph 1 (c) of the annex to Decision 2/CMA.3.
- 3.1.4 Malawi will set a threshold on its revised NDC targets that it shall update in 2025 to reflect the maximum NDC budget to be implemented using Article 6 rules.
- 3.1.5 Malawi is fully committed to an unconditional GHG emission reduction target of **6% by 2040 Business as Usual model** as of its domestic total GHG emissions by 2040, equivalent to 2.1 MtCO₂eq. Furthermore, the country is committed to **an additional 45% of GHG emission reductions** in the same timeframe under its conditional target, equivalent to **15.6 MtCO₂eq**. Figure 3 below shows Malawi's NDC ambitions towards GHG emission reduction.

² Guidance on cooperative approaches referred in Article 6, paragraph 2, of the Paris Agreement

³ Malawi's UNFCCC Paris Agreement ratification status

⁴ UNFCCC's NDC registry

⁵ Malawi's NDC (2021)

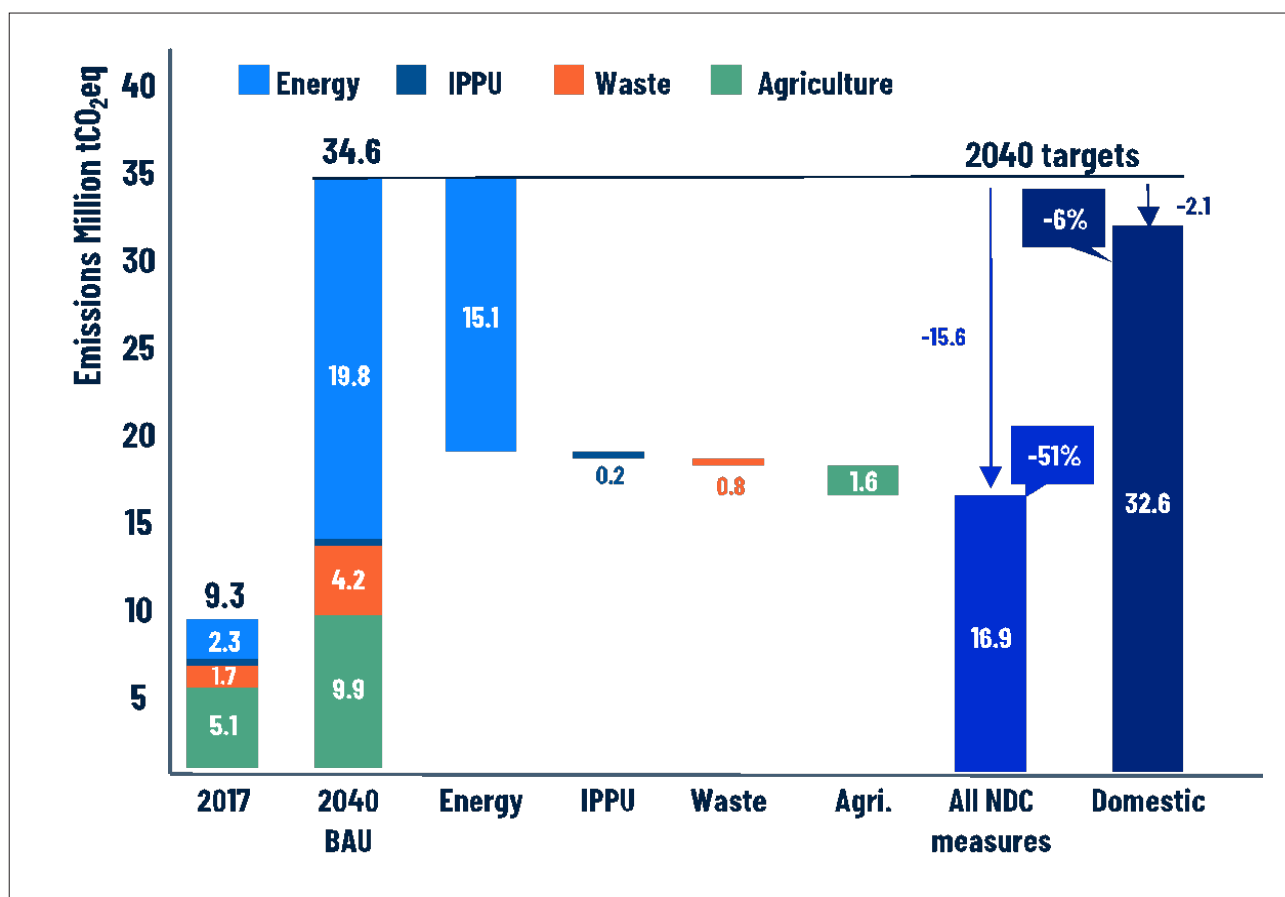


Figure 3: Malawi's NDC ambitions

3.1.6 Malawi's NDC target covers the following three main GHGs:

- i. Carbon dioxide (CO₂)
- ii. Methane (CH₄)
- iii. Nitrous oxide (N₂O)

3.1.7 Furthermore, GHG emission reductions in the country's NDC include the following economic sectors:

- i. The **Energy Sector** subdivided into:
 - a. electricity generation,
 - b. transport,
 - c. buildings,
 - d. industry and manufacturing; and,
 - e. energy use in agriculture.
- ii. The **Industrial Processes and Product Use (IPPU) sector**, subdivided into:
 - c. minerals industry; and,
 - d. cross-cutting activities.
- iii. The **Waste** sector, subdivided into:
 - a. solid waste; and,
 - b. wastewater.

iv. The **Agriculture** sector, subdivided into:

- a. crops management;
- b. livestock; and,
- c. forestry and land use.

- 3.1.8 Malawi's NDC implementation period starts from 1st January 2020 - 31 December 2040, with the option to review the NDC target in 2025, in line with Article 4.9 of the Paris Agreement.
- 3.1.9 As such, authorized ITMOs originating from Malawi's participation in any cooperative approach shall be generated within the NDC implementation period in line with article 6 rules targets by 2030 and, pursuant to chapter I, paragraph 1(e) of the annex to decision 2/CMA.3, generated in respect of or representing mitigation from 2021 onward.
- 3.1.10 Furthermore, Malawi adopts an absolute each -year target accounting approach and shall calculate the average annual ITMO transfers over the NDC implementation period.
- 3.1.11 Malawi published its Third National Communication which included its National Green House Gas emissions Inventory Report⁶ (NIR) to the UNFCCC in 2021 and shall continuously provide the most recent NIRs in line with decision 18/CMA.1 to satisfy the conditions in section 4(e) of the Annex to Decision 2/CMA.3. Malawi is also in the process of updating its inventory report in 2025 in the Fourth National Communication.
- 3.1.12 Additionally, per chapter II, paragraph 4(e) of the annex to decision 2/CMA.3, this Framework document establishes Malawi's national arrangements for review, authorization, tracking (involving the transfer and use) of MOs, the application of Corresponding Adjustments, and reporting.

3.2 Malawi's eligibility to participate under Article 6.4 requirements

- 3.2.1 Through this Framework document, Malawi expresses its intention to participate in the Article 6.4 mechanism, as a host Party, on a voluntary basis.
- 3.2.2 Malawi will participate by activating its institutional arrangements within the context of this Framework and in consistency with the Rules, Modalities and Procedures (RMP) of Article 6.4 contained in UNFCCC's decision 3/CMA.3 as well as any other future applicable Article 6.4 mechanism rules and requirements.
- 3.2.3 Furthermore, Malawi will host Mitigation Activities from its NDC's conditional targets under Article 6.4 when it is ready for implementation under the guidance of the Article 6.4 Supervisory Body.
- 3.2.4 Malawi, as a Party to the Paris Agreement, is eligible to participate in the Article 6.4 Mechanism per the following conditions:

⁶ Malawi's 2017 National Greenhouse Gas Inventory Report

- 3.2.4.1 Malawi has ratified the Paris Agreement and has maintained its updated NDC satisfying the obligations previously stated in paragraph 3.1.2 above.
- 3.2.4.2 Malawi shall publicly articulate to the Article 6.4 Supervisory Body the manner in which its engagement in the mechanism aligns with and furthers the cause of benefiting communities, contributing to national economic development and Sustainable Development. This recognition comes with the acknowledgment that the assessment of Sustainable Development remains a national prerogative, as stated in chapter IV, paragraph 26(d) of the annex to decision 3/CMA.3.
- 3.2.4.3 Malawi, through this Framework, publicly notifies the Article 6.4 Supervisory Body of the categories of activities under Article 6, paragraph 4, that it would be willing to authorize based on the established eligible NDC sectors and activities detailed in [Section 5.2 - Eligible Mitigation Activities under Article 6.2 and Article 6.4](#), paragraph 5.2.2.3, Table 4.
- 3.2.4.4 Furthermore, Malawi shall detail how these activities along with any resultant emissions reductions, will contribute to the realization of its NDC, where applicable, its long-term low greenhouse gas (GHG) emissions development strategy, as well as the long-term goals set forth in the Paris Agreement.
- 3.2.4.5 In advance of involvement in the Article 6.4 mechanism, Malawi may delineate to the Article 6.4 Supervisory Body, the baseline approaches and additional methodological requirements encompassing additionality for the Mitigation Activities it intends to host under Article 6.4, as well as the applicable crediting periods, including provisions for potential renewals, as outlined in chapter IV, paragraph 27(a-b) of the annex to decision 3/CMA.3.
 - i. This compilation of information must incorporate an explanation of how these crediting periods align with Malawi's NDC and long-term plan for low GHG emissions development.

3.3 Guiding principles for Article 6 engagement

- 3.3.1 Malawi shall align with the principles of Environmental Integrity (EI), Transparency, promotion of Sustainable Development, and Social and Economic Co-benefits, when participating in Article 6 cooperation (involving review, approval, authorization, tracking of ITMOs, performing Corresponding Adjustments, and Reporting). The following are the guiding principles:

3.3.2 Environmental Integrity and Transparency:

- 3.3.2.1 Each Mitigation Activity aiming to generate MOs or Article 6.4 Emissions Reductions (A6.4ERs) for approval and authorization under Article 6.2 or Article 6.4, must demonstrate Environmental Integrity as per the established requirements in [Section 5.1 - Environmental Integrity and Sustainable Development Requirements](#). Such EI requirements are in line with the ones specified in decision 2/CMA.3, as well as applicable national legislations and policies of any participating Party.

- 3.3.2.2 Moreover, when considering granting an approval and authorization of ITMOs generated from Mitigation Activities implemented within the country, Malawi shall follow the established guidelines in [Section 5.2 - Eligible Mitigation Activities under Article 6.2 and Article 6.4](#), paragraph 5.2.1.6.
- 3.3.2.3 Under an Article 6.2 cooperative approach or the Article 6.4 mechanism, Malawi shall prevent double counting of emission reductions by ensuring that they are only counted once, either by the country that hosts the project or the Party that purchases the generated MOs.
- 3.3.2.4 Maintaining a coherent registration of all emissions reductions shall be a priority of Malawi as per the following:
- ii. **Article 6.2 cooperative approaches**, Malawi shall maintain a carbon registry system which could be designed in-house or by leveraging existing platforms provided by a third-party, built on robust NDC accounting rules and apply a Corresponding Adjustment (CA) that prevents double counting.
 - iii. **Article 6.4 mechanism**, Malawi's DNA shall request an account on the Mechanism Registry, where it meets the requisite identification requirements developed by the Supervisory Body, pursuant to the requirements established in chapter VI, paragraphs 63-65 of the annex to decision 3/CMA.3.
- 3.3.2.5 Malawi shall ensure that all emission reductions claimed under an Article 6.2 cooperative approach or the Article 6.4 mechanism, are additional to what would have happened in the absence of an eligible Mitigation Activity.
- 3.3.2.6 The latter indicates that emission reductions should be verifiable and properly accounted for, and not simply a result of existing policies and/or market conditions.

3.3.3 Sustainable Development:

- 3.3.3.1 Each Mitigation Activity seeking to create authorized MOs or A6.4ERs for transfer to a participating acquiring Party shall promote Sustainable Development as per the criteria in [Section 5.1 - Environmental Integrity and Sustainable Development Requirements](#), paragraph 5.1.2.1.

3.3.4 Social and Economic co-benefits:

- 3.3.4.1 To ensure that emission reductions are achieved in a socially equitable and sustainable manner, generated MOs shall consider social and economic co-benefits such as (but not limited to):
- i. poverty reduction;
 - ii. increased tax revenue;
 - iii. improved financial environment;
 - iv. job creation;
 - v. income increase;
 - vi. increased energy, agricultural and food security;

- vii. lowered societal costs for health problems associated to air and water pollution;
 - viii. increased productivity in targeted sectors (i.e., agriculture, energy, etc.);
 - ix. increased adaptive capacity and resilience of vulnerable communities and ecosystems, and other systems to climate change impacts; and,
 - x. increased scientific and technical capacities by shared know-how to local experts.
- 3.3.4.2 Malawi's implementation of Mitigation Activities guided under this Carbon Market Framework, shall promote the participation of stakeholders, including civil society, private sector and local communities. This is to guarantee that their perspectives and concerns are considered.
- 3.3.4.3 The share of proceeds shall be between the key players, including the host party (Government), mitigation participant (the investor or carbon developer), local partner organization, participating communities, line ministries, district councils and the AE and DNA.
- 3.3.4.4 Project proponents shall be required to commit to pay an amount of the share of proceeds upon issuance of a Letter of Authorization, based on the projected carbon credits to be generated over the project time period.

3.4 Government responsibilities for Article 6 engagement

- 3.4.1 This Framework shall guide Malawi's National Procedures for review, authorization, tracking, application of corresponding adjustments, and reporting of ITMOs under Article 6.2.
- 3.4.2 The procedures shall be consistent with the requirements under decision 2/ CMA.3 and applicable national legislation of participating Parties and existing bilateral/plurilateral agreements for Article 6.2 cooperative approaches.

3.4.3 Authorization of ITMOs under Article 6.2 cooperative approaches:

- 3.4.3.1 When considering granting authorization of MOs generated from eligible Mitigation Activities:
- i. **Towards NDC achievement**, per Article 6.3 of the Paris Agreement, representing emissions reductions performed under Malawi's NDC timeframe, Malawi shall consider the applicable provisions in existent bilateral/plurilateral agreements following the procedures in [Section 5.5 - Mitigation Activity approval/authorization requirements under Article 6.2 and Article 6.4.](#)
 - ii. **For Other International Mitigation Purposes (OIMPs) (i.e. other than the achievement of an NDC)**, determined by Malawi as the first transferring participating Party per Article 6.3 of the Paris Agreement, representing emissions reductions under Malawi's NDC timeframe and applicable provisions in existent bilateral/plurilateral agreements following the procedures in [Section 5.5 - Mitigation Activity approval/authorization requirements under Article 6.2 and Article 6.4.](#)

3.4.3.2 Upon verification of MOs from Mitigation Activities and a positive examination decision by Malawi's Government and the participating Party, Malawi shall issue the ITMOs and subsequently transfer them via Malawi's registry according to the procedures in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#).

3.4.4 Approval and Authorization of A6.4ERs:

3.4.4.1 Approval and authorization of A6.4ERs in Malawi shall be done pursuant with the requirements set forth in chapter V.C, paragraphs 40-45 of the annex to decision 3/CMA.3.

3.4.4.2 Furthermore, this Framework document shall also abide by the UNFCCC Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects and any other applicable rules and regulations adopted by the CMA, the UNFCCC Secretariat and/or the Article 6.4 Supervisory Body.

3.4.4.3 Prior to considering granting an authorization of A6.4ERs generated from eligible Mitigation Activities, Malawi shall:

- i. Pursuant to chapter V.C, paragraph 40 (a-c) of the annex to decision 3/CMA.3, provide to the UNFCCC Supervisory Body an approval of the Mitigation Activity prior to a request for registration in accordance;
- ii. Pursuant to chapter V.C, paragraph 41 of the annex to decision 3/CMA.3, provide to the UNFCCC Supervisory Body an authorization of public or private entities to participate in the Mitigation Activity as activity participants under the mechanism; and
- iii. Pursuant to chapter V.C, paragraph 42 of the annex to decision 3/CMA.3, provide a statement to the UNFCCC Supervisory Body specifying whether Malawi authorizes A6.4ERs for use towards achievement of NDCs and/or Other International Mitigation Purposes.

3.4.5 Corresponding Adjustments (CAs) under Article 6:

3.4.5.1 Malawi is committed to apply CAs and report them as specified in chapter III-IV of the annex to decision 2/CMA.3 for all authorized MOs and A6.4ERs first transferred and used towards the achievement of NDCs and OIMPs (i.e. CORSIA) per the steps outlined in [Section 5.5 - Mitigation Activity approval/authorization requirements under Article 6.2 and Article 6.4](#).

3.5 National Requirements for Mitigation Activity Participant (MAP) participation under Article 6

- 3.5.1 A Mitigation Activity Participant (MAP) shall be defined as any legally comprised entity who is engaged in the development of a Mitigation Activity that results in the reduction, removal or avoidance of GHG emissions. This includes:
- i. National or International Private companies;
 - ii. National or International Public Entities;
 - iii. National or International State-Owned Enterprises (SOEs).;
 - iv. National or International Non-Governmental Organizations;
 - v. The aforementioned definition excludes individuals not representing a legally established entity.
- 3.5.2 MAP shall be either an individual representing a legal entity, a private company, a public entity, or non-Governmental organization.
- 3.5.3 All MAPs shall be required to be on-boarded in the Malawi Carbon Registry before design and development of the project.
- 3.5.4 MAPs shall be required to pay a registration fee of their Mitigation Activity.
- 3.5.5 MAPs not on-boarded in Malawi shall be required to partner with a registered local entity to foster capacity building, and technology development and transfer.
- 3.5.6 International MAPs that are not on boarded will require to have a new entity/company for every new project requesting for a LoA.
- 3.5.7 MAPs shall submit to the DNA a letter of consent and participation of local partners engaged in the carbon project.
- 3.5.8 The local partner will be entitled to a share of proceeds, to be agreed upon by the two parties.
- 3.5.10 MAPs shall obtain clearance/permit of property involved in the project e.g. land and other protected areas, and other infrastructure. Projects using public property and assets shall be required to pay upfront concessional fees.
- 3.5.11 MAPs shall open a bank account with a local bank to which all carbon trading transactions shall be effected.
- 3.5.12 MAPs shall provide evidence of financial capacity to develop, invest and implement carbon projects in Malawi.
- 3.5.13 MAPs that will involve the Government as an implementing partner shall require a Public-Private Partnership Scheme. These could include Public land e.g. protected areas, Lakes, Forests, National Parks, Game Reserves etc. The PPP Commission of Malawi, shall have the stake in guiding how this arrangement will be implemented.

- 3.5.14 MAPs shall be required to pay upfront scrutiny fees when submitting expression of interest to register for carbon trading; administrative fees when requesting for authorization; ITMO transfer fees and share of proceeds to the Government through the Designated National Authority (DNA) account.
- 3.5.15 MAPs shall disclose all required information including; the quantity of emission reductions, the acquiring party/ buyer, cost of development and implementation of the project, amount of credits sold and revenue generated
- 3.5.16 MAPs shall comply with all relevant laws, regulations and policies of Malawi including the Environmental and Social Impact Assessment.
- 3.5.17 MAPs shall indicate how the carbon project contributes to the NDCs; and adherence to the national carbon trading priority sectors;
- 3.5.18 MAPs shall be required to present the carbon project to the relevant committee during the project review process.

4

Malawi's Mitigation Activity Development Cycle

Chapter 4 provides information on how Malawi will approve projects, facilitate the implementation and monitoring of the project, issue and transfer of ITMOs, and further reporting requirement will be met.

4.1 General Rules and Applicability of the Mitigation Activity Development Cycle

- 4.1.1 The EAD as DNA with oversight from MNRCC as AE shall serve as the entry point for all MAPs and Requests.
- 4.1.2 The EAD shall administer the Mitigation Activity Development Cycle as Malawi's DNA, in accordance with the roles and responsibilities outlined in Table 1 above.
- 4.1.3 The Mitigation Activity Development Cycle established under this Framework is divided into three components:
 - 4.1.3.1 [Section 4.2 – Mitigation Activity Development Cycle for Article 6.2 engagement](#), detailing the process that shall be followed by any interested Party seeking to implement eligible Mitigation Activities under Article 6.2 Cooperative Approaches.
 - 4.1.3.2 [Section 4.3 – Mitigation Activity Development Cycle under Article 6.4](#), detailing the process that shall be followed by any interested Party seeking to implement eligible Mitigation Activities under the Article 6.4 Mechanism.
 - 4.1.3.3 [Section 4.4 – Development of Voluntary Carbon Market \(VCM\) Mitigation Activities](#), detailing the process that shall be followed by any interested Party seeking to implement VCM Mitigation Activities requiring corresponding adjustments not requiring corresponding adjustments.
- 4.1.4 Furthermore, the MNRCC through the EAD, may perform changes or updates to the Mitigation Activity Development Cycle to ensure its relevance throughout Malawi's participation in Article 6. Any amendments and/or updates shall be performed in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).
- 4.1.5 Malawi's Mitigation Activity Development Cycles shall be followed by any MAPs seeking to generate authorized MOs and/or A6.4ERs.
- 4.1.6 The development of Mitigation Activities can comprise three main interaction scenarios as follows:
 - i. Government of Malawi – National or International Private Companies and/or NGOs.
 - ii. Government of Malawi – National or International Public Entities and/or SOEs.
 - iii. Government of Malawi – Public Private Partnerships (PPPs).

- 4.1.7 Any national or international private companies, NGOs, public entities and/or SOEs looking to develop Mitigation Activities under Article 6.2 engagement within Malawi, shall follow the Rules, Modalities and Procedures (RMPs) set forth in Decision 2/CMA. 3, any bilateral agreement and national laws. Also refer to [/Section 4.2 - Mitigation Activity Development Cycle for Article 6.2 engagement.](#)
- 4.1.8 Any national or international private companies, NGO, public entities and/or SOEs looking to develop Mitigation Activities under the Article 6.4 mechanism within Malawi, shall follow the RMPs set forth in [Section 4.3 - Mitigation Activity Development Cycle under Article 6.4.](#)
- 4.1.9 Any national or international private companies, NGOs, public entities and/or SOEs looking to develop VCM Mitigation Activities within Malawi, shall follow the RMPs set forth in [Section 4.4 - Development of Voluntary Carbon Market \(VCM\) Mitigation Activities.](#)

4.2 Mitigation Activity Development Cycle for Article 6.2

The Mitigation Activity Development Cycle for implementation of Article 6.2 projects involves several steps from the development phase to issuance and reporting. The Figure 4 below illustrates this process in a simplified manner to guide MAPs and the process is described in detail under Table 2.

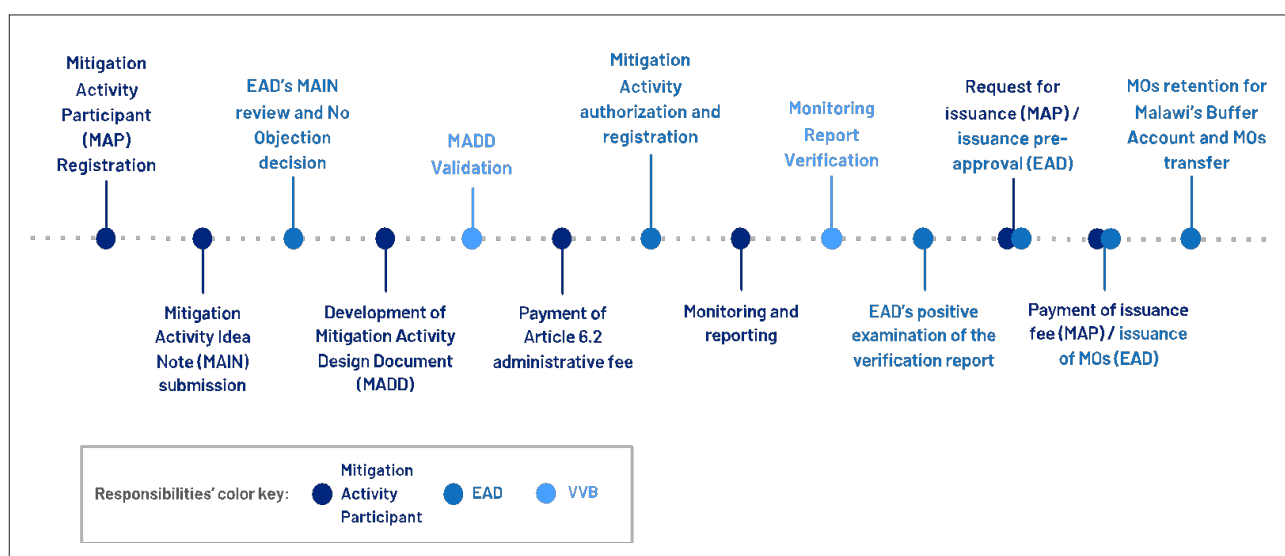


Figure 4: Malawi's simplified Article 6.2 Activity Cycle process flow

Table 2: Malawi's step-by-step Article 6 Activity Cycle

Description	Actions
MAP Application	The EAD opens an account in the MCRS for the MAP and assigns a Mitigation Activity Participant Identification Number (MAP-ID).
MAIN submission	The MAP develops and submits a MAIN with all associated documentation through its MCRS.
MAIN review and No Objection	The EAD performs the MAIN's review and if accurate, the EAD issues a No Objection.
MADD Development	The MAP develops a Mitigation Activity Design Document (MADD) for validation.
MADD Validation	An eligible Verification and Validation Body (VVB) validates the MADD. VVBs shall be onboarded by the EAD to help monitor their performance and compliance with existing requirements
A6.2 admin fee	The EAD requests payment of the A6.2 admin fee to initiate review of the positive validation report and requests authorization and registration.
MA authorization and registration	The validation report is reviewed by the EAD and if accurate, the EAD grants an A6.2LOA and registers the MA with a Mitigation Activity Identification Number (MA-ID).
Monitoring and reporting	The MAP monitors the MA and develops a Monitoring Report for verification.
Verification	An eligible VVB verifies the submitted Monitoring Report for accuracy.
Positive examination	The EAD assesses the verification report and if accurate, it issues a Positive Examination Statement.
Request for issuance	The MAP requests issuance of ITMOs to the EAD upon receiving a Positive Examination.
Issuance pre-approval	The EAD reviews the issuance request and if all information is accurate, pre-approves the issuance and requests the MAP to pay the corresponding Share of Proceeds.
Payment of issuance fee	The MAP pays the Share of Proceeds and submits the payment's invoice to the EAD .
Issuance of MOs	The EAD issues the number of pre-approved ITMOs in the MAP's MCRS account. In case of ICS registries are used or issuance of ITMOs for projects in Malawi, this shall automatically apply to the MAPs
MOs transfer request	The MAP requests the EAD MOs transfer to the acquiring participating Party.
MOs retention and transfer	The EAD retains the applicable MOs % (as stipulated in the A6.2LOA) for Malawi's Buffer Account and transfers non-retained MOs to the acquiring participating Party.

4.2.1 Mitigation Activity Participant (MAP) Registration:

4.2.1.1 All eligible MAPs seeking to develop and implement eligible Mitigation Activities within Malawi shall request on-boarding on Malawi's Carbon Registry System (MCRS)⁷ using [Template A](#), for the **EAD** to assign a Mitigation Activity Participant Identification Number (MAP-ID).

4.2.1.2 The detailed process to request MCRS' registration and MAP-ID assignation shall be conducted in accordance with the procedure established in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.2.1 (i-iii).

4.2.2 Mitigation Activity application, initial evaluation and no objection decision:

4.2.2.1 Each intended Mitigation Activity shall meet the following eligibility requirements—

- i. Comply with the eligibility criteria established in [Section 5.2 - Eligible Mitigation Activities under Article 6.2 and Article 6.4](#), paragraph 5.2.2.
- ii. Employ the approved methodological requirements presented in [Section 5.3 - Eligible methodologies under Article 6.2 and Article 6.4](#), paragraph 5.3.1.
- iii. Comply with the principles established in [Section 3.3 - Guiding principles for in Article 6 engagement](#).

4.2.2.2 MAPs shall develop a Mitigation Activity Idea Note (MAIN) for every intended Mitigation Activity, per [Template B](#), for the **EAD** to conduct an initial evaluation and no objection decision.

4.2.2.3 Mitigation Activity application, initial evaluation and no objection decision shall be conducted in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.2.2 (i-v).

4.2.3 Mitigation Activity Design Document (MADD) development and validation:

4.2.3.1 Should a positive initial evaluation and a letter of no objection be granted by the **EAD**, MAPs shall be eligible to prepare a MADD ([Template E](#)), for each intended Mitigation Activity.

4.2.3.2 MADDs shall be validated by an eligible independent Verification/Validation Body (VVB) in line with [Section 5.4 - Requisites for VVBs and UNFCCC accredited DOEs](#), paragraph 5.4.1.

4.2.3.3 The detailed MADD's development and validation process shall be conducted in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.2.3 (i-iv).

4.2.4 Mitigation Activity authorization and registration:

4.2.4.1 Should a positive MADD validation be granted by an eligible VVB, MAPs shall request Mitigation Activity authorization and registration through [Template F](#) annexing all required information by the template.

⁷ This requirement shall enter into force until Malawi's Carbon Registry System is fully operational. Until such time, the MAP shall submit documentation per previously commonly agreed channels indicated by the MNRCC and the EAD.

4.2.4.2 Mitigation Activity authorization shall be guided pursuant to [Section 5.5 - Mitigation Activity authorization specifications for Article 6.2 and Article 6.4](#), paragraphs 5.5.1 and 5.5.2.

4.2.4.3 The detailed Mitigation Activity authorization and registration process shall be conducted in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.2.4 (i-v).

4.2.5 Monitoring and Reporting:

4.2.5.1 All authorized and registered Mitigation Activities are required to monitor their generated MOs and report on their progress by following the validated MADD's and the applied methodology's monitoring plan. The developed Monitoring Report shall follow the requirements in [Template K](#).

4.2.6 Verification, positive examination and issuance of MOs:

4.2.6.1 All developed Monitoring Reports shall be verified by an independent and accredited VVB in accordance with [Section 5.4 - Requisites for VVBs and UNFCCC accredited DOEs](#), paragraph 5.4.1.

4.2.6.2 Following the Monitoring Report's verification, MAPs shall request the EAD to carry out a positive examination of every submitted verification report through [Template L](#).

4.2.6.3 The MAP's request of a positive examination shall be done in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.2.5 (i-viii).

4.2.6.5 Upon the EAD's positive examination of a verification report, MAPs may request issuance of verified MOs through [Template N](#).

4.2.6.6 Request for issuance and issuance shall be done in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance and tracking of MOs](#), paragraph 5.7.2.6 (i-ii).

4.2.7 Transfers of authorized and issued MOs:

4.2.7.1 ITMO transfers shall be carried out in accordance with the procedure in [Section 5.7 - Procedures for registry, issuance and tracking of MOs](#), paragraph 5.7.2.7 (i-ii).

4.2.8 Government of Malawi's reporting obligations:

4.2.8.1 The EAD shall submit to the UNFCCC all information on authorized Mitigation Activities pursuant to [Section 5.6 - Corresponding Adjustments and Reporting Requirements](#), paragraph 5.6.2.1 (i-iii).

4.2.9 For further detailed guidance on the Mitigation Activity Development Cycle for Article 6.2, the following guidelines can be consulted:

- i. **Guideline 4:** [Expanded and detailed Mitigation Activity Development Steps for Article 6.2](#).
- ii. **Guideline 5:** [Estimated timelines of Malawi's Article 6.2 Mitigation Activity Development Cycle](#).

4.3 Mitigation Activity Development Cycle for Article 6.4

The Mitigation Activity Development Cycle for implementation of Article 6.4 projects involves several steps from the development phase to issuance and reporting. The Figure 5 under 4.3.3.1 illustrates this process in a simplified manner to guide MAPs and the process is described in detail in Table 3 under this Section.

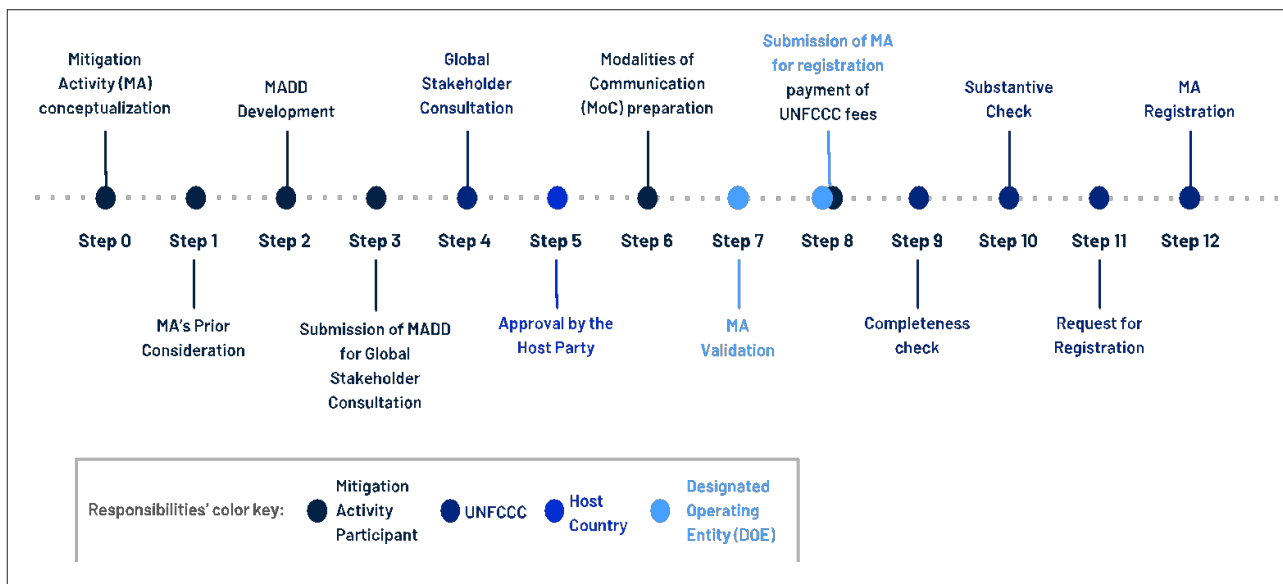


Figure 5: Article 6.4 Supervisory Body's Activity Cycle

Table 3: Article 6.4 Supervisory Body's simplified Activity Cycle steps

Step	Description	Actions
0	Mitigation Activity (MA) conceptualization	The Mitigation Activity Participant (MAP) prepares the project's scope, description and associated information.
1	MA's prior consideration	The MAP communicates to the UNFCCC's Secretariat an intention to seek registration for a proposed Article 6.4 Mitigation Activity.
2	MADD Development	The MAP develops a Mitigation Activity Design Document (MADD) for Global Stakeholder Consultation and Validation.
3	Submission of MADD for Global Stakeholder Consultation	The MAP submits the MADD to the UNFCCC for it to undergo a Global Stakeholder Consultation and communicates such submission to the UNFCCC Secretariat no later than one year of the prior consideration submission.
4	Global Stakeholder Consultation	The UNFCCC publishes the MADD on the UNFCCC website and awaits 28 days to receive comments in English from UNFCCC-admitted observer organizations
5	Host Party (Malawi's) Approval	The UNFCCC informs Malawi's MNRCC receipt of the proposed Article 6.4 Mitigation Activity. Taking into consideration the information shared by the UNFCCC and comments from the Global Stakeholder Consultation process (if any), Malawi's MNRCC may decide to approve the proposed MA up to 90 days from the start of the Global Stakeholder Registration.

6	Modalities of Communication (MoC) preparation	The MAP designates, through an official statement, one or more focal points to communicate with the UNFCCC Supervisory Body and the Secretariat.
7	MA Validation	The MAP hires a Designated Operating Entity (DOE) to validate the Mitigation Activity. Upon submission of the MADD, the MoC statement and any other supporting documentation, a UNFCCC-accredited DOE validates the Mitigation Activity.
8a	Submission of MA for registration	The DOE submits the MA's documentation and positive validation report, through a dedicated interface in the UNFCCC website, to request the MA's registration.
8b	Payment of UNFCCC fees	The MAP , upon notification and after the DOE's submission for registration, pays corresponding fees.
9	Completeness check	The UNFCCC Secretariat schedules commencement of the request for registration and performs a completeness check to determine whether the request is complete.
10	Substantive check	Upon positive conclusion of the completeness check, the Article 6.4 Supervisory Body shall conduct within 21 days, a substantial review of all submitted documentation.
11	Request for registration	Upon positive conclusion of the Substantive Check, the Article 6.4 Supervisory Body may approve the Mitigation Activity and shall consider the request for registration. The Article 6.4 Supervisory Body shall communicate to Malawi's MNRCC , the MAP and the DOE of a positive request for registration no later than 28 days after the substantive check.
12	MA's registration	The Article 6.4 Supervisory Body shall register the Mitigation Activity.

4.3.1 General information for Article 6.4 operationalization within Malawi:

- 4.3.1.1 Pursuant to chapter III, paragraphs 2-24 of the Annex to decision 3/CMA.3, Mitigation Activity Development under Article 6.4 shall be guided internationally by the UNFCCC Supervisory Body who shall supervise it under the authority and guidance of the CMA and be fully accountable to the CMA.
- 4.3.1.2 Any intended Mitigation Activity under Article 6.4 shall be fully compliant with the obligations established in chapter V, paragraphs 30-32 of the annex to decision 3/CMA.3.
- 4.3.1.3 Furthermore, Malawi shall abide by all Rules and Regulations set forth by the Article 6.4 Supervisory Body including, but not limited to, the following:
- i. Governance Regulations ⁸;
 - ii. Activity Cycle Regulations ⁹;
 - iii. Accreditation Regulations ¹⁰; and
 - iv. Methodology Regulations ¹¹.

⁸ Article 6.4 Supervisory Body Governance Regulations

⁹ Article 6.4 Supervisory Body Activity Cycle Regulations

¹⁰ Article 6.4 Supervisory Body Accreditation Regulations

¹¹ Article 6.4 Supervisory Body Methodology Regulations

4.3.1.4 Moreover, the Government of Malawi shall adopt and abide by all future publications of and/or amendments to any guidance, decision, rules and regulations enacted by the CMA, the UNFCCC Secretariat, and/or the Article 6.4 Supervisory Body, concerning Article 6.4 operationalization.

4.3.1.5 In the event that this Framework contravenes any Article 6.4 rules and regulations adopted and enforced by the CMA, the UNFCCC's Secretariat, and/or the Article 6.4 Supervisory Body, the **MNRCC** shall be tasked with amending this Carbon Market Framework in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

4.3.2 Mitigation Activity eligibility under Article 6.4:

4.3.2.1 All intended Mitigation Activities under Article 6.4 shall comply with the eligibility criteria established in [Section 5.2 – Eligible Mitigation Activities under Article 6.2 and Article 6.4](#), paragraph 5.2.2.

4.3.2.2 All intended Mitigation Activities under Article 6.4 shall employ accepted methodologies as presented in [Section 5.3 – Eligible methodologies under Article 6.2 and Article 6.4](#), paragraph 5.3.1.

4.3.2.3 All Mitigation Activities shall comply with the principles established within [Section 3.3 – Guiding principles for engagement in Article 6 Cooperation](#), of this Carbon Market Framework and any additional rules/guidance/requirements established by the CMA, the UNFCCC's Secretariat and/or the Article 6.4 Supervisory Body.

4.3.3 Prior consideration of the Article 6.4 mechanism

4.3.3.1 Prior consideration notification to the UNFCCC shall be done following the dispositions in Section 4.2, paragraphs 12-15, of the UNFCCC Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects (hereinafter referred to in this section as '*the Procedure*')¹².

4.3.3.2 If the Mitigation Activity has started, as per the definition of the "start date" in the UNFCCC's Article 6.4 activity standard for projects (hereinafter referred to in this section as '*the Activity Standard*')¹³, MAPs shall submit a prior consideration notification no later than 180 days after the start of the project.

4.3.4 Global stakeholder consultation

4.3.4.1 Pursuant to Section 4.3, paragraphs 16-18, of the Procedure, MAPs shall submit a MADD¹⁴ prepared in accordance with the Activity Standard, using the UNFCCC A6.4M-PDD-FORM, available in the UNFCCC website, within one year of the publication of the prior consideration notification or within one year after the applicable mechanism methodology becomes available, whichever is later.

4.3.4.2 Pursuant to Section 4.3, paragraph 17 (a-b) of the Procedure, the submitted MADD shall undergo a global stakeholder consultation, where comments in English may be received within 28 days of its

¹² Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects

¹³ Procedure A6.4-SB008-A04: Article 6.4 activity standard for projects

¹⁴ The A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects, refers to a Mitigation Activity Design Document (MADD) as a Project Design Document (PDD). To keep consistency in this Framework Document, the Government of Malawi shall make reference to PDDs as MADDs, having the same meaning.

publication on the UNFCCC website. Received comments shall be published on the UNFCCC website, and the Secretariat shall inform the publication of comments to Malawi's **MNRCC** and the MAP's.

4.3.5 Malawi's approval and authorization

4.3.5.1 Mitigation Activity Approval by the **MNRCC** shall be done pursuant to Section 4.4, paragraphs 19-23, of the Procedure and taking into consideration any further guidance established by the CMA. As such, approval and authorization requirements under the Article 6.4 mechanism are summarized within [Section 5.5 – Mitigation Activity approval/authorization requirements under Article 6.2 and Article 6.4](#), paragraph 5.5.3 (5.5.3.1 – 5.5.3.2).

4.3.6 Modalities for Communication preparation and validation of MADD

4.3.6.1 Modalities of Communication (MoC) preparation and validation of the Mitigation Activity's MADD shall be done pursuant to Section 4.6, subsections 4.6.2-4.6.3, paragraphs 25-37, of the Procedure.

4.3.6.2 Pursuant to Section 4.6, subsection 4.6.2, paragraphs 27-34 of the Procedure, MAPs shall designate one or more focal points to communicate on their behalf with the Article 6.4 Supervisory Body.

- i. MAPs shall include focal point(s) information following the MoC statement form (A6.4MM-MOC-FORM), available in the UNFCCC website.
- ii. MAPs shall grant the focal points with the authorities described in subsection 4.6.2, paragraph 29 (a-c) of the Procedure.
- iii. MAPs shall follow all other requirements stated in subsection 4.6.2, paragraphs 30-34, of the Procedure.

4.3.6.2 In accordance with subsection 4.6.3, paragraphs 35-37 of the Procedure, MAPs shall hire a UNFCCC accredited DOE to perform the Mitigation Activity's validation ensuring that it meets the requirements established in the UNFCCC's Article 6.4 accreditation procedure, summarized in [Section 5.4 – Requisites for VVBs and UNFCCC accredited DOEs](#), paragraph 5.4.2.

4.3.7 Mitigation Activity Registration

4.3.7.1 Mitigation Activity Registration shall be done pursuant to Section 5, subsections 5.1-5.3 (5.1.1-5.3.3), paragraphs 38-86, of the Procedure.

4.3.7.2 Pursuant to Section 5, subsection 5.3 (5.1.3), paragraphs 56-58, of the Procedure, the **MNRCC**, any other participating Party and any member or alternate member of the Article 6.4 Supervisory Body may request a review of a request for registration within 28 days of its date of publication submitted prior to 24:00 (CET) of the last day. A request of review shall provide, inter alia, the reasons for the request of review based on the Activity Standard, the Article 6.4 Validation and Verification Standard for projects (hereinafter referred to in this section as '*Validation and Verification Standard*')¹⁵ or any other applicable Article 6.4 mechanisms rules and requirements.

4.3.7.3 A review of request for registration shall be done pursuant to Section 5, subsection 5.2 (5.2.1-5.2.4), paragraphs 63-84, of the Procedure.

¹⁵ Procedure A6.4-SB008-A04: Article 6.4 validation and verification standard for projects

4.3.7.4 Any request for appeals and/or grievances shall be dependent on the UNFCCC's Procedure: Appeal and grievance process under the Article 6.4 mechanism, as well as any other future applicable Article 6.4 mechanism rules and requirements.

4.3.8 Post-registration activities

4.3.8.1 Post-registration activities shall be done pursuant to Section 6, subsections 6.1-6.3, paragraphs 87-127, of the Procedure. Post-registration activities shall include:

- i. Continued engagement of stakeholders;
- ii. Changes to a registered Mitigation Activity; and
- iii. Changes to the MoC.

4.3.9 Pre-Issuance Activities

4.3.9.1 Monitoring:

- i. Pursuant to Section 7, subsection 7.1, paragraph 128, of the Procedure, MAPs of a registered Article 6.4 Mitigation Activity shall prepare a monitoring report for each monitoring period in accordance with the Activity Standard, using the Monitoring Report Form (A6.4M-MR-FORM), available on the UNFCCC website.

4.3.9.2 Verification of emission reductions or removals:

- i. Pursuant to Section 7, subsection 7.2, paragraphs 129-131, of the Procedure, the MAP shall submit the Mitigation Activity for independent assessment by a UNFCCC accredited DOE.
- ii. The assigned DOE shall meet the requirements established in the UNFCCC's Article 6.4 accreditation procedure, summarized in [Section 5.4 – Requisites for VVBs and UNFCCC accredited DOEs](#), paragraph 5.4.2.
- iii. Pursuant to Section 7, subsection 7.2, paragraph 130, of the Procedure, the DOE shall prepare a verification and certification document, using the UNFCCC's Verification and certification report form (A6.4M-VCR-FORM), available at the UNFCCC website.

4.3.10 Issuance of Article 6.4 Emission Reductions (A6.4ERs)

4.3.10.1 All issuance activities of A6.4ERs shall be conducted following the requirements established in Section 8, subsections 8.1-8.3, paragraphs 132-187, of the Procedure.

4.3.10.2 Pursuant to Section 8, subsection 8.1 (8.1.3), paragraphs 152-158 of the Procedure, the **MNRCC**, any other participating Party and any member or alternate member of the Article 6.4 Supervisory Body may request a review of a request for issuance within 28 days of its date of publication submitted prior to 24:00 (CET) of the last day. A request of review shall provide, inter alia, the reasons for the request of review based on the Activity Standard, the Validation and Verification Standard, or any other applicable Article 6.4 mechanisms rules and requirements.

4.3.10.13 A review of request for issuance shall be done pursuant to Section 8, subsection 8.2 (8.2.1-8.2.4), paragraphs 161-184, of the Procedure.

4.3.104 Any request for appeals and/or grievances shall be guided by the UNFCCC's Procedure: Appeal and grievance process under the Article 6.4 mechanism, as well as any other future applicable Article 6.4 mechanism rules and requirements.

4.3.11 Renewal of crediting period

4.3.11.1 A request for renewal of the Mitigation Activity's crediting period shall be conducted following the requirements established in Section 9, subsections 9.1-9.2, paragraphs 198-207, of the Procedure.

4.3.11.2 Pursuant to Section 9, subsection 8.2 (9.2.4), paragraph 203, of the Procedure, to solicit a review of the request for renewal of the crediting period, the provisions in paragraphs 4.4.11.2-4.4.11.5 of this Framework document shall apply mutatis mutandis.

4.3.12 Voluntary deregistration of a Mitigation Activity

4.3.12.1 A request for voluntary deregistration of a Mitigation Activity shall be conducted following the requirements established in Section 10, subsections 10.1-10.4, paragraphs 208-219, of the Procedure.

4.3.13 Withdrawal of approval of a Mitigation Activity or authorization of a Mitigation Activity Participant

4.3.13.1 Pursuant to Section 11, subsection 11.1, paragraph 220, of the Procedure, Malawi may, through the **MNRCC**, submit a notification to the UNFCCC Secretariat to withdraw the approval of a registered Article 6.4 Mitigation Activity or the authorization of any of the MAPs.

4.3.13.2 Withdrawal of the approval of a registered Article 6.4 Mitigation Activity or the authorization of any of the MAPs shall be done in accordance with the requirements established in Section 11, subsections 11.1, paragraphs 220-224, of the Procedure.

4.3.13.3 Impacts of a withdraw of the approval of a registered Article 6.4 Mitigation Activity shall be guided by Section 11, subsection 11.2, paragraphs 225-226, of the Procedure.

4.4 Development of Voluntary Carbon Market (VCM) Mitigation Activities

4.4.1 VCM Mitigation Activities that require the application of a corresponding adjustment

4.4.1.1 Definitions and applicability

- i. VCM Mitigation Activities requiring the application of a corresponding adjustment shall be defined as any Mitigation Activity that has submitted an application to an International Carbon Standard (ICS) for its Verified Emissions Reductions (VERs) to be granted with an Article 6 attribute.
- ii. The **MNRCC** may provide a Letter of Authorization to such Mitigation Activities as long as they are registered in the following recognized ICSs granting Article 6 attributes to VCM VERs:
 - a. Gold Standard
 - b. VERRA
- iii. The **MNRCC** through the **EAD** may, in the future, choose to recognize other ICSs providing Article 6 attributes to generated VERs from VCM Mitigation Activities within Malawi.
- iv. In the event that such new recognitions are provided, paragraph 4.4.1.1 (ii) (a-b) shall be amended in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

4.4.1.2 Mitigation Activity eligibility:

- i. The **EAD** shall conduct Mitigation Activity eligibility assessment pursuant to the criteria established in [Section 5.2 – Eligible Mitigation Activities under Article 6.2 and Article 6.4](#), paragraph 5.2.2.
- ii. Eligible Mitigation Activities shall adhere to methodologies recognized by the ICS granting the Article 6 attribute and provided they are in harmony with the approved methodologies presented in [Section 5.3 – Eligible methodologies under Article 6.2 and Article 6.4](#), paragraph 5.3.1.
- iii. In instances where discrepancies between the ICS-recognized methodologies and those approved under [Section 5.3 – Eligible methodologies under Article 6.2 and Article 6.4](#), paragraph 5.3.1, the latter shall take precedence.

4.4.1.3 MAPs seeking to request a Letter of Authorization for VCM Mitigation Activities in order to obtain an Article 6 attribute, under an ICS, shall adhere to the following procedure:

- i. MAP registration in the MCRS:
 - a. All eligible MAPs shall open an account in the MCRS to upload any requested information by the Government of Malawi for consistent record keeping and tracking; and
 - b. The process for MAP registration shall be conducted in accordance with [Section 5.7 – Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#).

- ii. Mitigation Activity authorization request:
 - a. All MAPs intending to seek authorization for a VCM Mitigation Activity requiring a corresponding adjustment, shall perform an authorization request to the **EAD**; and
 - b. Request for Mitigation Activity authorization shall be conducted in accordance with [Section 5.7 – Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.3.3 (i-iii).
- iii. Registry and issuance of VERs with authorized Article 6 labels:
 - a. All VCM Mitigation Activities requiring a corresponding adjustment and that have been granted authorization will be issued and held in the registry of the eligible ICS's listed in paragraph 4.4.1.1 (ii.a-b) above and
 - b. The requirements and process to issue and track authorized Article 6 attributed VERs shall be conducted in accordance with [Section 5.7 – Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.3.4 (i-vi).
- iv. Transfers of authorized VERs:
 - a. All VCM Mitigation Activities requiring a corresponding adjustment and that have been granted authorization will be transferred and cancelled in the registry of the eligible ICS's listed in paragraph 4.4.1.1 (iii.a-b) above;
 - b. The requirements and process to transfer and track authorized Article 6 attributed VERs shall be conducted in accordance with [Section 5.7 – Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs](#), paragraph 5.7.3.5 (i-iii) and;
 - c. The Government of Malawi, through the **EAD**, shall effect applicable corresponding adjustments for Article 6 attributed VERs used towards the authorized Article 6 use purposes in the issued A6.2LOA, shall be conducted pursuant to the requirements established in [Section 5.6 – Corresponding Adjustments and Reporting Requirements](#), paragraph 5.6.1.

4.4.1.4 Reporting obligations

- i. The Government of Malawi, through the **EAD**, shall submit all information on authorized VCM Mitigation Activities requiring a corresponding adjustment to the UNFCCC, pursuant to the requirements established in [Section 5.6 – Corresponding Adjustments and Reporting Requirements](#), paragraph 5.6.2.1 (i-iii).

4.4.2 VCM Mitigation Activities NOT requiring a corresponding adjustment

- 4.4.2.1 VCM Mitigation Activities NOT requiring the application of a corresponding adjustment and seeking to generate non-authorized VERs shall NOT be subject to requesting an A6.2 LOA.
- 4.4.2.2 MAPs seeking to implement VCM Mitigation Activities NOT requiring a corresponding adjustment that have the option, prior to VERs issuance, to request an authorization for an Article 6 attribute with an eligible ICS, shall request such authorization in accordance with paragraph 4.4.1 above.
- 4.4.2.3 The Government of Malawi shall require MAPs to inform the **MNRCC** and the **EAD** on intended and/or implemented VCM Mitigation Activities NOT requiring the application of a corresponding adjustment, and seek registration of their Mitigation Activity within the MCRS.
- 4.4.2.4 The **MNRCC** shall issue a Letter of Recognition/Endorsement Letter for onboarding of the Mitigation Activity into the MCRS
- 4.4.2.5 MAPs intending to implement VCM Mitigation Activities NOT requiring a corresponding adjustment shall be required to pay all required fees and share of proceeds as established in section [5.8 Fees and Share of Proceeds \(SOPs\)](#).
- 4.4.2.6 Mitigation outcomes accrued from VCM Mitigation Activities NOT requiring a corresponding adjustment shall be considered as domestic achievements towards the Malawi NDC targets.
- 4.4.2.7 MAPs intending to implement VCM Mitigation Activities NOT requiring a corresponding adjustment shall comply with the Monitoring, Reporting and Verification (MRV) requirements.
- 4.4.2.8 MAPs shall be required to declare all necessary information to the Government entity responsible for carbon trading for the monitoring, tracking, accountability and reporting purposes to enhance transparency and integrity of carbon credits accrued from such activities

5

Requirements for Mitigation Activity Development

Chapter 5 provides information on eligible activities that are applicable to be implemented for carbon trading in Malawi in line with NDC priority conditional targets and National Inventory Report. The Section further describes the criteria for identification of activities in the positive list aligned to the relevant requirement. The Section also provides information on the Validation and Verification Bodies requirements; Corresponding Adjustment requirements; procedures for registry, issuance, transfer and tracking of mitigation outcomes; fees and share of proceeds; National Buffer Account; and ambition in mitigation and adaptation.

5.1 Environmental Integrity and Sustainable Development Requirements

5.1.1 Environmental Integrity

5.1.1.1 Malawi recognizes Environmental Integrity (EI) as an essential requirement for participating in Article 6.2 cooperative approaches and the PACM;

- i. The EI requirements for Mitigation Activities refer to the principles and standards that must be met to ensure that Mitigation Activities are effective in reducing greenhouse gas emissions, promoting sustainable development and safeguarding essential Human Rights; and
- ii. Such EI guidelines ensure that Mitigation Activities are designed and implemented in a manner that is consistent with the principles and objectives of the Paris Agreement and the guidelines adopted by the CMA.

5.1.1.2 The EI criteria of Article 6 Mitigation Activities in Malawi shall be maintained through the following key elements:

- i. NDC stringency – ambition and scope of Malawi's NDC target and the country's authorization of ITMOs generated from Mitigation Activities in the country's conditional NDC target;
- ii. Monitoring and reporting – Before the issuance of authorized ITMOs, Malawi shall confirm through a verification report, the Environmental Integrity of the MOs;
- iii. Avoidance of double counting – Activities authorized will avoid double counting of emissions reductions. Malawi shall apply corresponding adjustment to all authorized ITMOs from eligible Mitigation Activities; and

- iv. Consistency with sustainable development, activities must contribute to Malawi's sustainable development objectives, which are established based on economic, social, environmental, and strategic criteria and indicators considering the progression of Malawi's mitigation ambition through its successive NDCs.

5.1.1.3 [Annex II, Guideline 2: Environmental Integrity Requirements](#), provides the criteria that shall be applied to all developed Mitigation Activities developed within Malawi.

5.1.2 Sustainable Development

5.1.2.1 To assess the sustainability of a Mitigation Activity in the context of development, the following criteria shall be used:

- i. Environmental impact: The Mitigation Activity should not have negative impacts on the environment, such as deforestation, pollution, or release of harmful chemicals;
- ii. Economic viability: the Mitigation Activity should be economically feasible considering the revenue from selling MOs and provide long-term economic benefits to local communities and the region;
- iii. Local participation: the Government of Malawi strongly encourages international Mitigation Activity Participants and investors to partner, wherever and as frequent as possible, with local companies, partners and/or investors;
- iv. Social benefits: the Mitigation Activity should contribute to improving the quality of life of local communities, creating job opportunities, and promoting equitable distribution of benefits;
- v. Technological feasibility: the technology used in the Mitigation Activity should be appropriate, accessible, and efficient for the local context;
- vi. Climate impact: the Mitigation Activity should help to reduce greenhouse gas emissions and promote climate change mitigation;
- vii. Scalability: the Mitigation Activity should be scalable, replicable, and adaptable to different regions and contexts;
- viii. Long-term sustainability: the Mitigation Activity should be sustainable in the long-term and not have adverse effects after the intervention is completed; and
- ix. Gender equality: the Mitigation Activity should consider gender equality in its design and implementation and promote equal opportunities and benefits for women and men.

5.1.2.2 [Annex II, Guideline 1: Sustainable Development Requirements](#) provides the criteria that shall be applied to all developed Mitigation Activities within Malawi.

5.1.3 Other relevant requirements

5.1.3.1 All Mitigation Activities must comply with all relevant national and international laws and regulations, including those related to the environment and Human Rights.

5.1.3.2 MAPs shall perform public consultation with local stakeholders concerning sustainable development and an established independent grievance process that stakeholders may access.

5.2 Eligible Mitigation Activities under Article 6.2 and Article 6.4

5.2.1 General eligibility of Mitigation Activities

5.2.1.1 Mitigation Activities developed within Malawi, must effectively contribute to the level of ambition of its NDC mitigation actions as appropriate, respect human rights, have a high level of EI and go in accordance with Sustainable Development in Malawi.

5.2.1.2 Mitigation Activities developed within Malawi shall achieve additional, real, measurable and verifiable mitigation results that contribute to the achievement of the GHG emission reduction objectives of Malawi's NDC, the implementation of which is conditional upon obtaining international financial support from public and/or private sources, which may be varied.

5.2.1.3 The following elements shall be considered in deciding on the eligibility of any activity under the additionality criterion:

- i. Level of ambition in relation to its profitability and investment constraints; and
- ii. Existence of financial support provided by multilateral or international funds.

5.2.1.4 Any concerned Mitigation Activity must not undermine fundamental human rights, including the right to health, the rights of local communities, displaced people, children, persons with disabilities and persons in vulnerable situations, the right to development of Malawi and its people, as well as gender equality, women's empowerment, and intergenerational equity.

5.2.1.5 Any Mitigation Activity developed within Malawi must be designed, implemented, and monitored in a manner and under conditions that ensure EI principles, in addition to the following:

- i. It does not lead to a net increase in Malawi's emissions either during or between the periods of implementation of its NDCs;
- ii. It prevents and, if necessary, controls the risks of non-permanence, if any; and

- iii. It is fully transparent to make the corresponding adjustment of the emissions accounted by Malawi under its current NDC and to facilitate the collection and communication of information in the reports to be provided by Malawi at the international level (initial/updated report, annual communication, BTR, Article 6 database, international and national registry), regardless of the purpose for which the applicant is requesting a permit or approval.
- 5.2.1.6 All Mitigation Activities eligible to create authorized ITMOs or A6.4ERs shall originate from inside or outside the scope of Malawi's NDC as follows:
 - i. If the Mitigation Activity is inside Malawi's NDC, it shall belong to the conditional target of the NDC; and
 - ii. If the Mitigation Activity is outside Malawi's NDC, the Mitigation Activity must be included in the sectors covered by the latest NIR that are applicable to be implemented under Article 6.
- 5.2.1.7 All Mitigation Activities within Malawi's eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 or falling under the project-by-project assessment criteria as established in paragraph 5.2.4, shall comply and be assessed with the MADD evaluation parameters detailed in [Annex V – MADD Evaluation Tool](#) and/or any other rules and regulations adopted by the CMA, the UNFCCC Secretariat and/or the Article 6.4 Supervisory Body.

5.2.2 Eligible NDC sectors and activities for development under Article 6.2 and Article 6.4

- 5.2.2.1 Mitigation activities or technologies for development under Article 6.2 and Article 6.4 shall be eligible, provided the activity meets the set criteria below:
 - i. The mitigation activity shall contribute to Sustainable Development priorities and meet EI requirements;
 - ii. The mitigation activity or technology must be consistent with the priority areas established by Malawi in its NDC or other National Decarbonization Strategies aligned to NDC targets; and
 - iii. The Mitigation Activity would not have happened otherwise, in the absence of additional finance.
- 5.2.2.2 Mitigation activities in Malawi's NDC sectors and activities for development under Article 6.2 and Article 6.4, that meet the above criteria, shall be eligible but not automatically additional. As such, the following requisites shall apply:
 - i. Eligible mitigation activities shall undergo eligibility assessment by the **EAD**, alongside the technical inputs provided by the **MEWG**; and
 - ii. Assessment shall be done upon submission of the mitigation activity idea note in accordance with Malawi's Mitigation Activity Development Cycle for Article 6.2 and the Article 6.4 mechanism.

- 5.2.2.3 Based on the criteria mentioned above, Malawi's eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 is detailed in Table 4.
- 5.2.2.4 Malawi also considers including technologies that would require more time to develop and therefore intends to promote its development, additional including:
- i. Green hydrogen – hydrogen gas that is produced using renewable energy sources used to power an electrolysis process that splits water into hydrogen and oxygen;
 - ii. Geothermal power – fossil Fuel Displacement by Geothermal Resources for space heating, electricity generation, or thermal energy production;
 - iii. Carbon Capture and Storage (CCS); and
 - iv. Carbon Capture and Utilization (CCU)
- 5.2.2.5 The **MNRCC**, through the **EAD**, may update the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

5.2.3 Negative list

- 5.2.3.1 Mitigation Activities in the negative list shall not be authorized and therefore will not be eligible for issuing ITMOs and/or A6.4ERs for international transfer. Therefore, corresponding adjustments shall not be applied.
- 5.2.3.2 The list of ineligible mitigation activities is detailed in Table 5.

5.2.4 Project-by-project assessment

- 5.2.4.1 Mitigation Activities that are not specified in Malawi's positive or negative lists, shall be assessed on a case-to-case basis by the **EAD** with the technical advisory of the **MEWG** and approval of the **NSCCC**.
- 5.2.4.2 Mitigation Activities assessed under a project-by-project basis shall meet the following criteria:
- i. Not be listed under Malawi's negative list;
 - ii. Fall under Malawi's prioritized NDC sectors, including the forestry sector and nature-based solutions; and
 - iii. If the Mitigation Activity is outside the scope of the NDC, it must be included in the sectors covered by Malawi's NIR.

Table 4: Malawi's eligible NDC sectors and activities for development under Article 6.2 and Article 6.4

Sector	Sub-sector	Measure	Description
Energy	Electricity Generation	Grid-connected hydropower generation (with an installed power of 20MW or below).	Displacement of GHG emissions from fossil fuel power generation, including coal-fired, diesel and HFO generation.
		Grid connected large scale solar PV and/or SHS	
		Grid connected wind power	
		Public lightning utilizing RE and/or energy efficiency	
		Off-grid small scale solar PV systems	Installation of PV systems for domestic solar heating and lanterns, resulting in avoided GHG emissions from kerosene and unsustainable charcoal use.
	Transport	Clean Coal technology	High efficiency coal-fired power plant Installation of highly efficient super ultracritical coal plant, resulting in reduced GHG emissions from coal use in electricity generation.
		Electric mobility in public and private fleets and associated infrastructure	Displacement of GHG emissions from fossil fuels
		Hydrogen vehicles and associated infrastructure	
		Modal shift: private to passenger transport	Increasing the share of passenger transport from around 10% at present to around 30% in 2040, reducing GHG emissions from gasoline and diesel use.
		Modal shift: road to rail freight	Increased use of rail under the National Transport Master Plan, resulting in reduced diesel consumptions and GHG emissions from road freight transport.
		Increasing ethanol blending with gasoline	Achieving an average national blend rate of 20% ethanol, resulting in reduced GHG emissions from gasoline consumption in road transport.
	Buildings	Blending biodiesel with diesel as a transportation fuel	Commercial production of biodiesel fuel reaching 55 million liters and resulting in reduced GHG emissions from diesel consumption in road transport.
		Biofuel, electric and solar cookstoves, high-tier cookstoves	Reduced demand for traditional biomass, which helps to reduce pressure on forestry resources with associated reduced impacts from extreme rainfall events.
	Industry and manufacturing	Efficient air conditioning	Highly energy efficient systems causing reduced GHG emissions.
		Energy Efficiency measures	

Sector	Sub-sector	Measure	Description
IPPU	Minerals industry	Increased use of rice husk ash (RHA) in blended cement	Reduction in demand for cement in construction industry through increased blending in cement production resulting in reduced calcination emissions from domestic clinker production.
		Earth stabilized blocks (ESBs) as building materials	Wider promotion of ESBs as materials within institutional and domestic building projects to replace cement stabilized blocks within construction, reducing emissions from cement production.
		Alternative low carbon cement processes	Potential use of emerging lower-carbon cement production processes such as belite ye'elite-ferrite (BYF) clinker with reduced GHG emissions compared to conventional process.
Waste	Solid waste	Landfill gas (LFG) utilisation	Generation of up to 95 GWh of electrical power from landfill gas extraction, collection and utilization applied to sanitary landfills, resulting in reduced CH ₄ from landfill sites and avoided CO ₂ from displacement of fossil-based electricity use.
		Waste Reduction Practices	Solid and water waste reduction practices at household, institutional and industry level to reduce waste generation, resulting in reduced CH ₄ and CO ₂ emissions.
		Waste to Energy (WtE)	Installation of waste to energy incinerators to generate up to 250 GWh of electricity per year in Lilongwe and Blantyre, achieving reduced CH ₄ emissions from landfill sites and avoided CO ₂ from displacement of grid power.
Agriculture	Wastewater	Waste-water treatment and reuse	Rehabilitation and construction of sewerage network and wastewater treatment plants in Lilongwe, Blantyre, Mzuzu and Zomba, achieving CH ₄ and N ₂ O reductions from wastewater and sewage.
	Crop management	Conservation agriculture - crop residue and rotation	Support and implementation of the planned expansion targets for crop residue and crop rotation to improve soil conservation, resulting in increase of soil carbon stock and improved crop yields.
		Promotion of efficient fertilizer use and manure management	Improved fertilizer management through increased use of organic waste in soil fertilizers and compost manure, increasing carbon stock retention in soils, and reduced N ₂ O emissions from mineral N-fertilizer use.
	Livestock	Improved rice management practices	Deep organic fertilizer application and improved biomass and fertilizer management in rice and nitrification inhibitors application, resulting in reduced N ₂ O emissions from mineral N-fertilizer use.
		Improved livestock husbandry	Improved livestock husbandry through expansion of new fodder area under <i>Brachiaria</i> and Napier grass species, reducing CH ₄ emissions from enteric fermentation and increasing biomass carbon stock.
Forestry and other Land Use	Forestry	Improved farm management	Establishing biogas digesters, promotion of collective farms, improved manure management and promotion of slurry systems, resulting in reduced or avoided N ₂ O and CH ₄ emissions.
		Afforestation and Agroforestry, Sustainable landscape and forest management	Increased carbon stock in tree biomass and soil, Enhancement of carbon sinks in tree and bamboo biomass and soil
Water	Sanitation	Water purification	High-end water purification technologies that reduce emissions using low carbon emission practices

Table 5: Malawi's Negative List for Mitigation Activity development under Article 6.2 and Article 6.4

No.	Description
1	Any Mitigation Activity listed under Malawi's unconditional NDC scope.
2	Any Mitigation Activity that falls outside of Malawi's National GHG Inventory Report's (NIR) scope, Conditional NDCs and that take time to be proved by science and are additional.
3	Use of nuclear energy based on national capabilities and circumstances
4	Use of fossil fuels for energy production or the extraction of fossil energy sources that are not energy efficient based on science.
5	Hydro plants with an installed power of over 100MW.
6	Activities in the waste sector without the recovery of material and/or energy.
7	Activities that conflict with environmental and Human Rights conventions ratified by Malawi.

5.3 Eligible methodologies under Article 6.2 and Article 6.4

5.3.1 Mitigation Activity development under Article 6.2 engagement

- 5.3.1.1 Malawi shall define the accepted methodologies and standards for estimating emissions reductions generated by implemented Mitigation Activities for authorized ITMOs towards use of NDC achievement of another participating Party and/or Other International Mitigation Purposes (OIMPs).
- 5.3.1.2 Additionally, Malawi may establish a structured mechanism for approving new methodologies in the future, which will contribute to the continuous improvement of this Framework.
- 5.3.1.3 The **MNRCC**, through the **EAD**, can assess and approve deviations to methodologies on their own decision.
- 5.3.1.4 If the methodology meets the criteria for approval and undergoes a successful validation, it will be subject to a technical review by the **EAD** who will assess the methodology with the technical review of the **MEWG** and approval of the **NSCCC**, to determine its consistency with the principles and objectives of the Paris Agreement and the guidelines adopted by the CMA.
- 5.3.1.5 Malawi pre-approves methodologies under the following existing international crediting standards:
 - i. Applicable approved methodologies under the Clean Development Mechanism (CDM) and /or PACM;
 - ii. Applicable approved methodologies under Gold Standard (GS);
 - iii. Applicable approved methodologies under VERRA's Verified Carbon Standard; and
 - iv. For Mitigation Activities under OIMPs 16, correspondingly eligible standards and their methodologies may be applicable.
- 5.3.1.6 Malawi, under previous agreement with any other participating Party with which Malawi has signed an Article 6.2 Bilateral Agreement for cooperative approaches, shall accept recognized methodologies by such Party in addition to the ones established in Paragraph 5.3.1.5 above.
- 5.3.1.7 The **MNRCC**, on the recommendations of the **EAD** and the **MEWG**, and upon approval of the **NSCCC**, will regularly update the list of recommended approved methodologies under existing international standards.
- 5.3.1.8 MAPs may use any acceptable existing standards to establish the baseline and monitoring methodology in so far as it is aligned with this framework.

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5.3.2 Mitigation Activity development under the PACM

- 5.3.2.1 Pursuant to chapter III.B, paragraph 24 (b) of the annex to decision 3/CMA.3, the Article 6.4 Supervisory Body shall, in accordance with relevant decisions of the CMA, develop and/or approve methodologies (hereinafter referred to as mechanism methodologies) and standardized baselines for Article 6.4.
- 5.3.2.2 Furthermore, mechanism methodologies shall be guided by the dispositions and requirements set forth in chapter V.B, paragraphs 33-39 of the annex to decision 3/CMA.3.
- 5.3.2.3 Mechanism methodologies shall also be subject to published and in force Methodology Regulations uploaded in the UNFCCC's website.
- 5.3.2.4 MAPs looking to develop Mitigation Activities under the Article 6.4 mechanism, shall ensure that the Mitigation Activity can be quantified and monitored by the list of mechanism methodologies that shall be published and approved by the CMA and the UNFCCC's Supervisory Body.
- 5.3.2.5 This Framework shall comply and abide by any future decisions and any other requirements adopted by the CMA and/or the Article 6.4 Supervisory Body.

5.4 Requisites for VVBs and UNFCCC accredited DOEs

Validation and Verification Bodies (VVBs) are internationally accredited bodies approved by the UNFCCC or an ICS to undertake validation and verification of Mitigation Activities. Malawi shall recognize VVBs under the UNFCCC's accreditation requirements or requirements under other ICSs.

5.4.1 Requisites for VVBs under Article 6.2 engagement

- 5.4.1.1 All VVBs looking to become recognized Verification and Validation entities in Malawi, shall register in the MCRS.
- 5.4.1.2 To become registered, VVBs shall:
 - i. Submit to the **EAD**, a MAP or Entity Application Form using [Template A](#);
 - ii. Pay application fee of \$1000.00 every 2 years to be used for scrutiny and registration of VVBs after they submit their entity for registration in the MCRS. The application fee will be subjected to review every year; and
 - iii. The **EAD** will review documentation and, if eligible, will issue a VVB Identification Number (VVB-ID) and open a VVB account on the MCRS. The MCRS shall be used for accounting only and NOT Transactional the right time deemed by Government.
- 5.4.1.3 The **EAD** will publish the national modalities for accrediting independent entities as recognized VVBs, within Malawi, for the validation and verification of Mitigation Activities.
- 5.4.1.4 The modalities may elaborate on the national requirements for the independent entities, approval procedures of the application for accreditation, and management protocols.

- 5.4.1.5 In the interim, the **EAD** lists eligible VVBs approved by the following existing international crediting standards:
- i. Accredited DOEs under the CDM;
 - ii. Accredited VVBs by the GS;
 - iii. Accredited VVBs by the VCS; and
 - iv. Future accredited DOEs under the Article 6.4 mechanism.
- 5.4.1.6 The **EAD** shall review the list of recognized VVBs every year on the recommendations of the **MEWG** and approval of the **NSCCC**, to add new VVBs and/or remove non-performing ones as may be necessary.
- 5.4.1.7 The validation of a Mitigation Activity shall be undertaken by an eligible VVB, involving the assessment of the consistency of the submitted MADD with the eligible methodology.
- 5.4.1.8 The verification shall be undertaken by an accredited and eligible VVB who conducts independent verification of the consistency of the monitoring report, to verify the impacts achieved by the activity during the monitoring period.

5.4.2 Requisites for DOEs under Article 6.4 engagement

- 5.4.2.1 Designated Operational Entities (DOE) will be internationally accredited bodies approved by the UNFCCC to undertake validation, verification and certification of Mitigation Activities under the Article 6.4 mechanism.
- 5.4.2.2 As such, the Validation, Verification and Certification of all Mitigation Activities developed within Malawi under the Article 6.4 mechanism, shall be undertaken by an accredited UNFCCC Supervisory Body DOE.
- 5.4.2.3 Pursuant to chapter III.B, paragraph 24 (a.i), of the annex to decision 3/CMA.3, the UNFCCC Supervisory Body shall, in accordance with relevant decisions of the CMA, establish the requirements and processes necessary to accredit operational entities as DOEs.
- 5.4.2.4 In accordance with chapter III.B, paragraph 24 (b), of the annex to decision 3/CMA.3, the Article 6.4 Supervisory Body shall accredit operational entities as DOEs.
- 5.4.2.5 DOEs shall also be subject to published and enforce Accreditation Regulations published in the UNFCCC's website.
- 5.4.2.6 Pursuant to chapter III.B, paragraph 24 (c.ii) of the annex to decision 3/CMA.3, the Article 6.4 Supervisory Body shall take appropriate measure to promote the regional availability of DOEs in all regions.

5.5 Mitigation Activity approval/authorization requirements under Article 6.2 and Article 6.4

- 5.5.1 Malawi may authorize ITMOs generated from Mitigation Activities listed in [Section 5.2 – Eligible Mitigation Activities under Article 6.2 and Article 6.4](#) (Table 4).
- 5.5.2 Malawi shall NOT authorize any ITMOs generated from Mitigation Activities listed in [Section 5.2 – Eligible Mitigation Activities under Article 6.2 and Article 6.4](#) (Table 5).
- 5.5.3 Malawi may authorize ITMOs generated from Mitigation Activities outside the NDC so far as the emissions/removals attributed to the activity are included in the latest National Inventory Report (NIR) and agreed to by the participating Parties. This could target the 49% emissions not encompassed within the NDC.
- 5.5.4 Pursuant with the obligations set forth in the annex to decision 2/CMA.3 (Article 6.2 guidance), Malawi shall be required to apply Corresponding Adjustments to all authorized ITMOs in the first transfer, towards NDC achievement of any participating Party or towards OIMPs use.

5.5.5 Article 6.2 engagement

5.5.5.1 Requirements and scope of authorization

- i. The requirements to obtain an Article 6.2 Letter of Authorization (A6.2LOA) for an intended Mitigation Activity are as follows:
 - a. The MAP has an account in Malawi's Carbon Registry System (MCRS) with an assigned Mitigation Activity Participant Identification Number (MAP-ID);¹⁷
 - b. The proposed Mitigation Activity must demonstrate Environmental Integrity and Sustainable Development satisfactorily as outlined in [Section 5.1 – Environmental Integrity and Sustainable Development Requirements](#);
 - c. The Mitigation Activity covers the eligibility criteria set out in [Section 5.2 – Eligible Mitigation Activities under Article 6.2 and Article 6.4](#);
 - d. The **EAD** has issued a Letter of No Objection to the MAP for the Mitigation Activity, as per [Template C](#); and
 - e. A MADD for the Mitigation Activity has been submitted and the validation is according to the standards per the requirements outlined in [Section 5.4 – Requisites for VVBs and UNFCCC accredited DOEs](#).
- ii. Pursuant with the annex to decision 2/CMA.3 and provided that its use occurs towards the same NDC Period in which they were generated, Malawi may authorize the international transfer of ITMOs from eligible Mitigation Activities that are used towards:
 - a. NDC achievement of any acquiring Party.
 - b. Use of Other International Mitigation Purposes (OIMPs).

¹⁷ This requirement shall enter into force until Malawi's Carbon Registry System is fully operational. Until such time, the MAP shall submit documentation per previously commonly agreed channels indicated by the MNRCC and the EAD.

- iii. Malawi may authorize ITMOs from eligible Mitigation Activities developed under this Framework document, that may voluntarily wish to apply an Overall Mitigation Global Emission (OMGE) cancellation in line with [Section 5.10 – Ambition in Mitigation and Adaptation](#).
- iv. Malawi shall authorize the transfer of ITMOs generated from eligible Mitigation Activities, provided the MAP has covered the non-monetary Buffer Fee, serving as a safeguard to reduce Malawi's risk of over-crediting MOs beyond its unconditional NDC scope as established in [Section 5.8 – Fees and Share of Proceeds](#).

5.5.5.2 Timing of Authorization

- i. An A6.2LOA shall be granted for any generated MOs from 2021 and up to 2030 from eligible Mitigation Activities; therefore, covering a part of Malawi's NDC implementation period starting 1st January 2020 to 31st December 2040.

5.5.5.3 Letter of Authorization specifications

- i. Malawi may grant an A6.2LOA ([Template H](#)), at the stage of the Mitigation Activity's validation from an independent VVB and submission of such positive validation report.
- ii. Each A6.2LOA is granted and valid for ONLY one Mitigation Activity and specifies the amount of ITMOs that are authorized for transfer towards the NDC achievement and/or other international mitigation purposes (OIMPs), in line with decision 2/CMA.3.
- iii. Any other special conditions applicable to the granted authorization such as ITMOs retention

5.5.5.4 Changes to an authorized and registered Mitigation Activity

- i. If there is a change that has occurred or is expected to occur to an authorized and registered Mitigation Activity in the MCRS; such changes shall need to be approved by the **MNRCC**, through the **EAD**, to maintain its authorization and registration within the MCRS.
- ii. Changes shall be within the scope of the following acceptable adjustments, as long as such changes meet the associated conditions specified in the Mitigation Activity's standard and methodology:
 - a. Temporary deviations from the registered monitoring plan, applied methodologies, standardized baselines and/or other accepted methodological regulatory documents.
 - b. Permanent changes:
 - Corrections that do not have material impact on the calculation of achieved GHG emission reductions of net GHG removals;
 - Permanent changes to the registered monitoring plan or permanent monitoring deviations from the applied methodologies, standardized baselines, and/or other methodological regulatory documents;

- Changes to the Mitigation Activity's start date of the crediting period; and
 - Changes to the authorized MADD.
- c. Corrections to information that do not affect the Mitigation Activity's design, such as:
- Name and/or address of the authorized MAP due to a commercial change and/or official relocation; and
 - MAP's focal point information (i.e., name, phone number, e-mail, amongst others).
- iii. The requisites and process to request submission of any of the temporary deviations referred to in paragraph 5.5.2.4 (ii-a) above, for the **EAD's** approval, shall be the following:
- a. Request for submission of any of the temporary deviations shall be done prior to request for issuance;
 - b. MAPs shall describe the deviation in accordance with the standard's and methodology's requirements as part of the preparation of a monitoring report;
 - c. The performed temporary deviations shall be subsequently verified by an eligible VVB;
 - d. Upon a positive verification by an eligible VVB, the MAP shall submit the verified deviated monitoring report's documentation on its MAP account in the MCRS. The new monitoring report shall be uploaded in both clean format and track changes format;
 - e. The EAD shall review the submitted documentation and may proceed with MOs issuance provided a positive verification report is submitted, following the established steps in Section 5.7 – Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs, paragraph 5.7.1.6; and
 - f. Failure to notify the EAD of any of the temporary deviations, shall cause the MAP to be subject to an A6.2LOA withdrawal, pursuant to [Section 5.12 – Enforcement and provisions for appeals, non—compliance and penalties](#), paragraph 5.12.1.4.
- iv. The requisites and process to request submission of any of the permanent changes referred to in paragraph 5.5.2.4 (ii-b) above, for the **EAD's** authorization, shall be the following:
- a. Request for submission of any of the permanent changes shall be done prior to verification of the Mitigation Activity;
 - b. MAPs shall design a new MADD following the guidance in [Template E](#) and in accordance with the applicable technical requirements of the chosen standard and methodology;
 - c. To submit the new MADD, the provisions in [Section 4.2 – Mitigation Activity Development Cycle for Article 6.2 engagement](#), paragraph 4.2.4, shall apply mutatis mutandis. This includes the payment of the Article 6.2 Administrative Fee;

- d. The amended MADD shall be uploaded through the MAP's account on the MCRS, in both clean format and track changes format;
 - e. Upon the **EAD's** MADD completeness review and provided a positive validation report has been effected by an eligible VVB, the **EAD** shall add the permanent changes described in the new MADD, as an appendix to the originally issued A6.2LOA. The included appendix shall take precedence after its issuance; and
 - f. Failure to notify the **EAD** of any of the permanent changes, shall cause the MAP to be subject to an A6.2LOA withdrawal, pursuant to [Section 5.12 - Enforcement and provisions for appeals, non-compliance and penalties](#), paragraph 5.12.1.4.
- v. The requisites and process to request any of the corrections referred to in paragraph 5.5.2.4 (ii-c) above, for the **EAD's** approval, shall be the following:
- a. Informational changes may be requested at any time throughout the Mitigation Activity's Development Cycle; and
 - b. The MAP shall resubmit [Template A](#) to the **EAD** with the amended information, through its account in the MCRS. The MAP is obliged to annex the official documentation which legally demonstrates the requested changes. This may include
 - Official company registry, duly notarized, detailing the change;
 - Company association documentation;
 - Powers of attorney; and
 - Any other document that legally recognizes the MAPs requested informational changes.
- vi. The **EAD** will review completeness of the submitted information and should a positive review be provided; it shall update the MAP's account information.
- vii. In cases where an A6.2LOA has been issued to a MAP's registered Mitigation Activity, the **EAD** shall include as an appendix to the issued A6.2LOA, the performed informational changes. The included appendix shall take precedence after its issuance.
- viii. Failure to notify the **EAD** of any informational changes, MAPs shall be subject to an A6.2LOA withdrawal pursuant to [Section 5.12 - Enforcement and provisions for appeals, non-compliance and penalties](#), paragraph 5.12.1.4.

5.5.6 Article 6.4 engagement

5.5.6.1 Requirements and scope of approval/authorization

- i. Mitigation Activity Approval by the **MNRCC** shall be done pursuant to Section 4.4, paragraphs 19-23, of the UNFCCC Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects (hereinafter referred in this section as '*the Procedure*').
- ii. The approval of Mitigation Activities shall be subject to the positive outcome of a validation report from an accredited UNFCCC Supervisory Body DOE.
- iii. Pursuant to chapter V.C, paragraph 40 (a-c) of the annex to decision 3/CMA.3, Malawi may only authorize Mitigation Activities that have been issued an Approval Support Statement ([Template D](#)).
- iv. In addition to the Corresponding Adjustment requirements detailed in this Framework and following the obligations set forth in chapter V.C, paragraph 44 of the annex to decision 3/CMA.3, Malawi shall:
 - a. Apply corresponding adjustments for the associated A6.4ERs levied for a share of proceeds in accordance with chapter VII of the annex to decision 3/CMA.3, summarized in [Section 5.10 - Ambition in Mitigation and Adaptation](#); and
 - b. Apply corresponding adjustments for the associated A6.4ERs cancelled for OMGE in accordance with chapter VIII of the annex to decision 3/CMA.3, summarized in [Section 5.10 - Ambition in Mitigation and Adaptation](#).
- iii. Pursuant to chapter IV.A, paragraph 29 (b) of the annex I to decision 7/CMA.4, A6.4ERs not specified as authorized for the use towards achievement of NDCs and/or for other international mitigation purposes (mitigation contribution A6.4ERs), may be used, inter-alia, for results-based climate finance, domestic mitigation pricing schemes or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in Malawi.

5.5.6.2 Timing of approval/authorization

- i. Malawi, as an intended participating Party in the Article 6.4 mechanism, may approve Mitigation Activities and authorize MAPs, and the A6.4ERs generated by these, at the stage of the Mitigation Activity's positive validation from an accredited DOE by the Article 6.4 Supervisory Body.
- ii. Pursuant to Section V.A, paragraph 31 (f), of the annex to Decision 3/CMA.3, an Article 6.4 Letter of Authorization (A6.4LOA) shall be granted as follows:

- a. A crediting period for the issuance for A6.4ERs, that is a maximum, of 5 years, renewable a maximum of twice, or a maximum of 10 years with no option of renewal, that is appropriate to the activity, or, in respect of activities involving removals, a crediting period of a maximum of 15 years renewable a maximum of twice, that is appropriate to the activity, and that is subject to approval by the Supervisory Body, or any shorter crediting period specified by Malawi, pursuant to Section IV, paragraph 27 (b), of the annex to Decision 3/CMA.3; and
- b. The crediting period shall not start before 2021.
- iii. Pursuant to chapter IV, paragraph 27 (b) of the annex to decision 3/CMA.3, Malawi may decide to renew crediting periods, subject to the RMPs defined in the annex to decision 3/CMA.3 and under the supervision of the UNFCCC Supervisory Body, and in accordance with further relevant decisions of the CMA, with an explanation of how these crediting periods are compatible with Malawi's NDC and its long-term low GHG emission development strategy.
- iv. A MAP may request a renewal of the Mitigation Activity's crediting period. Such request shall be conducted per the requirements established in Section 9, subsections 9.1-9.2, paragraphs 198-207, of the Procedure.
- v. In addition, pursuant to chapter V.I paragraph 57 of the annex to decision 3/CMA.3, the renewal of the crediting period shall be approved by Malawi and the Article 6.4 Supervisory Body following a technical assessment by an accredited DOE to determine necessary updates to the baseline, the additionality and the quantification of emissions reductions.

5.5.6.3 Approval support statement and Letter of Authorization

- i. Pursuant to Section 4.4, paragraphs 19-23, of the Procedure, an Approval support statement shall be granted through [Template D](#).
- ii. Pursuant to chapter V.C, paragraphs 41-42 of the annex to decision 3/CMA.3, Malawi shall provide to the UNFCCC's Supervisory Body an Article 6.4 Letter of Authorization (A6.4LOA) which shall encompass the following information as per [Template I](#):
 - a. Authorization of public and/or private entities to participate in the Mitigation Activity as MAPs under the mechanism.
 - b. The use case of authorized A6.4ERs which shall be for use towards achievement of NDCs and/or OIMPs as defined in decision 2/CMA.3.
 - c. Applicable terms and provisions set forth by Malawi.
 - d. If Malawi authorizes A6.4ERs for OIMPs use, a specification of "first transfer" definition consistently with paragraph 2 (b) of the annex to decision 2/CMA.3.

- iii. A granted Approval support statement and A6.4LOA shall be valid for ONLY one Mitigation Activity.
- iv. [Template D](#) and [Template I](#), shall remain in force unless otherwise indicated by the CMA, the UNFCCC Secretariat and/or the Article 6.4 Supervisory Body. In the event that an approval and/or authorization templates, be publicly published by the UNFCCC, the latter shall prevail post-factum.

5.6 Corresponding Adjustments and Reporting Requirements

5.6.1 Corresponding Adjustments

- 5.6.1.1 Malawi shall perform Corresponding Adjustments and Reporting in compliance with the requirements in chapter III and IV of the annex to decision 2/CMA.3 respectively.
- 5.6.1.2 Pursuant to chapter III, paragraph 7 (a) (ii) of the annex to decision 2/CMA.3, Corresponding Adjustments shall be applied using the following method consistently throughout the NDC period by calculating the average annual amount of ITMOs first transferred and used over the NDC implementation period, by taking the cumulative amount of ITMOs and dividing by the number of elapsed years in the NDC implementation period and annually applying indicative corresponding adjustments equal to this average amount for each year in the NDC implementation period and applying corresponding adjustments equal to this average amount in the NDC year.
- 5.6.1.3 Since Malawi's NDC is measured in tCO₂eq, corresponding adjustments shall be applied pursuant to paragraph 5.6.1.2 above, in the following manner:
 - i. Adding the quantity of ITMOs authorized and first transferred, for the calendar year in which the mitigation outcomes occurred; and
 - ii. Subtracting the quantity of ITMOs used above for the calendar year in which the mitigation outcomes are used towards the implementation and achievement of the NDC, ensuring that the mitigation outcomes are used within the same NDC implementation period as when they occurred.
- 5.6.1.4 As referred to in paragraph 77 (d) (ii) of the annex to decision 18/CMA.1, a resulting emissions balance shall be reported pursuant to paragraph 5.7.4.1 below.
- 5.6.1.5 In a manner consistent with chapter III of the annex to decision 2/CMA.3 and relevant future decisions of the CMA, corresponding adjustments shall be applied to the following:
 - i. Anthropogenic emissions by sources and removals by sinks from the sectors and GHGs covered by Malawi's NDC.
 - ii. At the time of first transfer MOs from emission reductions and removals covered or not covered by Malawi's NDC.

5.6.2 Reporting

5.6.2.1 Article 6.2 engagement

- i. Article 6.2 Initial Report (AIR)
 - a. Malawi shall submit an Article 6.2 Initial Report (AIR) following the guideline established in [Template J](#) no later than the authorization of MOs from a cooperative approach or, where practical, in conjunction with the next Biennial Transparency Report (BTR) due, according to decision 18/CMA.1 for the period of NDC implementation and consistent with chapter IV, paragraphs 18-19 of the annex to decision 2/CMA.3.
 - b. The AIR for each cooperative approach shall contain information consistent with chapter IV, paragraphs 18 (a-i) of the annex to decision 2/CMA.3.
 - c. For each further cooperative approach, Malawi shall submit the information referred to in chapter IV, paragraphs 18 (g-i) of the annex to decision 2/CMA.3 in an Updated Initial Report (UIR) for inclusion in the Centralized Accounting and Reporting Platform (CARP) referred to in chapter VI.C of the annex to decision 2/CMA.3 and include it in the next BTR due.
- ii. Annual Information
 - a. Malawi shall submit for recording in the Article 6 database referred to in chapter VI.B of the annex to decision 2/CMA.3 the following: This will be reported to the UNFCCC every 15th April using AEF form published here
 - b. Annual information on authorization of ITMOs following the guidance established in [Template O](#), for use towards achievement of NDCs, authorization of MOs for use towards other international mitigation purposes, first transfer, transfer, acquisition, holdings, cancellation, voluntary cancellation, voluntary cancellation of mitigation outcomes or ITMOs towards overall mitigation in global emissions, and use towards NDCs;
 - c. In respect of the above, the cooperative approach, the other international mitigation purpose authorized by Malawi, the using participating Party or authorized entity or entities, as soon as known, the year in which the mitigation occurred, the sector(s) and activity type(s), and the unique identifiers.
- iii. Regular Information
 - a. Malawi shall include as an annex to its BTRs that are submitted in accordance with chapter I.E, paragraph 10 (b) of the annex to decision 18/CMA.1 and no later than 31 December of the relevant year, the information in relation to its participation in cooperative approaches consistent with chapter IV, paragraphs 21 (a-e) of the annex to decision 2/CMA.3 and in accordance to the guidance provided by [Template P](#).

- b. Malawi shall include, as an annex to its BTRs that are submitted in accordance with chapter I.E, paragraph 10 (b) of the annex to decision 18/CMA.1 and no later than 31 December of the relevant year, the information on how each cooperative approach in which Malawi participates consistent with chapter IV, paragraphs 22 (a-k) of the annex to decision 2/CMA.3.
- c. Malawi shall include, as an annex to its BTRs that are submitted in a manner consistent with paragraph 5.6.1 above and any updates to information submitted for previous years in the NDC implementation period to the Article 6 database pursuant to chapter VI.B of the annex to decision 2/CMA.3 and shall include it in the structured summary (required pursuant to chapter III.C, paragraph 77 (d) of the annex to Decision 18/CMA.1 as part of the BTR), the information consistent with chapter IV, paragraphs 23 (a-l) of the annex to decision 2/CMA.3.

5.6.2.2 Article 6.4 engagement

Malawi shall report Article 6.4 mechanism transactions in a manner consistent with any current and/or future obligations enacted by the CMA, the UNFCCC Secretariat and/or the Article 6.4 Supervisory Body.

5.7 Procedures for registry, issuance, transfer and tracking of MOs and A6.4ERs

5.7.1 Article 6.2 engagement

5.7.1.1 Malawi's Registry

- i. The Government of Malawi shall establish the Malawi Carbon Registry System (MCRS) for transparent and secure issuance, transfer and tracking of ITMOs, in compliance with international Article 6.2 guidelines.
- ii. All Mitigation Activities seeking to generate authorized ITMOs under Article 6.2 shall be registered in the MCRS¹⁸, except for those defined in [Section 4.4 – Development of Voluntary Carbon Market \(VCM\) Mitigation Activities](#), paragraph 4.4.1.1 (ii.a-b).

5.7.1.2 The MCRS's functionality

- i. The MCRS shall perform the following main functions:
 - a. Host eligible MAP and entity(ies) accounts;
 - b. Keep informational records on the development of eligible Mitigation Activities implemented within Malawi for authorized ITMOs generation. This includes the following:
 - Submitted MAINs and MADDs.
 - Issued letters of no objection and letters of authorization.
 - Paid fees by MAPs including voluntary cancellation for OMGE (if applicable).

¹⁸ This requirement shall enter into force until Malawi's Carbon Registry System is fully operational. Until such time, the MAP shall submit documentation per previously commonly agreed channels indicated by the MNRCC and the EAD.

- Submitted validation reports.
 - Submitted monitoring reports and associated verification reports.
 - Any other information deemed relevant by the **EAD** pertaining to Mitigation Activities implemented within Malawi.
- c. Serve as the platform to request issuance and perform ITMO transfers to other participating Parties' registries, where possible;
 - d. Document information on issued and transferred ITMOs through their tracking, maintaining and accounting with assigned unique identifiers and labels, in compliance with chapter I.A, section 1, paragraphs 3 – 6 of the Annex I to Decision 6/CMA.4; and
 - e. Host the National Buffer Account and keep information on retained ITMOs for Malawi's own NDC achievement.
- ii. The MCRS will apply the unique identifiers and labels shown as an example in Figure 6, to Mitigation Activities that have been issued MOs on a MAP's account.

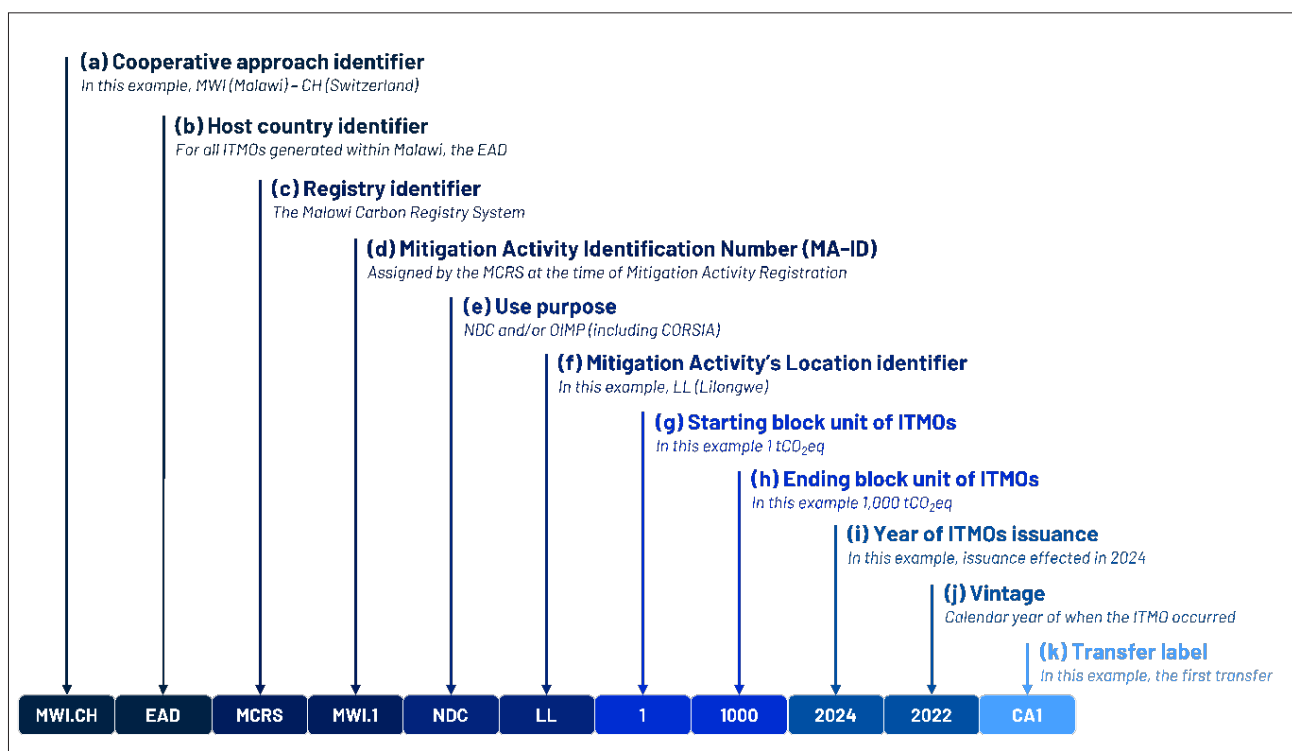


Figure 6: Assigned MO unique identifiers in the MCRS

5.7.1.3 The MCRS's interoperability

- i. The MCRS will work out the operational modalities with other acquiring participating Parties' registries to conform and/or adopt common unique identifier methods, thus facilitating regular ITMOs exchange and reduce the risk of double claiming. This may include the following:
 - a. A common format for appending such unique identifiers; and
 - b. A common format to define the means of communication and recompilation.
- ii. The Government of Malawi may, in the future, decide to connect the MCRS to the UNFCCC's international registry applying the interoperability arrangements in accordance with chapter I.B of Annex I and the requirements in chapter I.C, section 3 (b), paragraph 24 of Annex I to Decision 6/CMA.4.

5.7.2 Procedures to register, issue, track and transfer ITMOs for Article 6.2 engagement

5.7.2.1 Procedure to request account creation in the MCRS:

- i. To undertake ITMO transactions, all MAPs are required to open an account in the MCRS.
- ii. Only the MAPs as defined in [Section 4.1 – General Rules and Applicability of the Mitigation Activity Development Cycle](#), paragraph 4.1.6 (i-iv), shall be eligible to open an account in the MCRS.
- iii. The procedure for eligible MAPs to request account creation shall include the following:
 - a. Eligible MAPs shall request registration to the **EAD** using [Template A](#), ensuring all submitted information is complete.
 - b. The **EAD** shall review the registration request and, if requirements are met, it shall assign a Mitigation Activity Participant Identification Number (MAP-ID) and open a MAP account.
 - c. The MAP's account shall contain all information and shall serve the purposes detailed in paragraph 5.7.1.2 (i-ii) above.

5.7.2.2 Procedure to submit a Mitigation Activity Idea Note (MAIN) and obtain a no objection decision:

- i. MAPs, with a MAP account and a valid MAP-ID in the MCRS, shall be eligible to submit a MAIN document through its MCRS account, as per [Template B](#), for each eligible intended Mitigation Activity;
- ii. Upon submission of the MAIN in the MAP's MCRS account, the **EAD** shall review the MAIN to perform an initial evaluation of the intended Mitigation Activity's eligibility. MAINs shall be assessed using [Annex IV – MAIN Evaluation Tool](#);
- iii. Should the MAIN's evaluation by the **EAD** give a positive result, the **EAD** shall issue a Letter of No Objection as per [Template C](#);

- iv. Issued Letters of No Objection shall NOT constitute an authorization of the Mitigation Activity; and
- v. Upon issuance of a Letter of No Objection, the MAP shall be eligible to submit a full Mitigation Activity Design Document (MADD) as per paragraph 5.7.2.3 (i-iv) below.

5.7.2.3 Procedure to design a Mitigation Activity Design Document (MADD) and its validation:

- i. Upon the **EAD's** issuance of a Letter of No Objection, MAPs shall develop a MADD using [Template E](#), for each Mitigation Activity intending to generate authorized MOs within Malawi;
- ii. MAPs shall ensure that the designed MADD complies with all evaluation parameters detailed in [Annex V – MADD Evaluation Tool](#);
- iii. All designed MADDs shall undergo validation to demonstrate that the proposed Mitigation Activity meets the requirements of this Carbon Market Framework and the technical requirements from the utilized eligible methodology, in accordance with [Section 5.3 – Eligible methodologies under Article 6.2 and Article 6.4](#), paragraph 5.3.1; and
- iv. MADD validation shall be conducted by an independent and accredited Validation/Verification Body (VVB) approved by the methodology's applicable standard and in accordance with [Section 5.4 – Requisites for VVBs and UNFCCC accredited DOEs](#), paragraph 5.4.1.

5.7.2.4 Procedure for Mitigation Activity registration and authorization in the MCRS:

- i. Upon the VVB's MADD validation, MAPs shall request Mitigation Activity registration to the **EAD** by submitting [Template F](#) through its MCRS' MAP account and annexing to such template, the designed MADD and its positive validation report;
- ii. For the **EAD** to initiate the submitted MADD and its validation report's review and authorization consideration, the MAP shall cover the applicable Article 6.2 Administrative Fee in accordance with [Section 5.8 – Fees and Share of Proceeds](#);
- iii. Upon payment of the Article 6.2 Administrative Fee, the **EAD** shall commence the review of the submitted MADD and the annexed positive validation report;
- iv. If the VVB has granted a positive validation report, which is compliant with the established completeness requirements in [Checklist A](#), the **EAD** shall issue an A6.2LOA as per [Template H: and](#)
- v. Upon issuance of the A6.2LOA, the **EAD** shall register the authorized Mitigation Activity in the MCRS and assign a Mitigation Activity Identification Number (MA-ID).

5.7.2.5 Procedure for verification of authorized MOs and positive examination of the verification report:

- i. Implemented authorized Mitigation Activities shall monitor and report their progress in accordance with [Section 4.2 – Mitigation Activity Development Cycle for Article 6.2 engagement](#), paragraph 4.2.2.5 (i) and using the Monitoring Report in [Template K](#);
- ii. Each developed monitoring report shall be verified to ensure its accuracy and compliance with the employed methodology;
- iii. The verification process must be carried out by an independent VVB which is accredited by the applicable standard as shown in [Section 5.4 – Requisites for VVB and UNFCCC accredited DOEs](#), paragraph 5.4.1;
- iv. Once the assigned VVB has completed the monitoring report's verification and should the report have a positive outcome, the MAP shall request through its MCRS account the **EAD's** verification report's examination per [Template L](#) attaching all requested documentation by the template;
- v. Upon reception of the request, the **EAD** shall initiate the positive verification report's examination and perform a completeness check in accordance with the requirements in [Checklist B](#);
- vi. Should the submitted positive verification report be complete, complies with this Carbon Market Framework's dispositions and the acquiring participating Party, and no errors are found, the **EAD** shall provide a Positive Examination as per [Template M](#);
- vii. The successful Positive Examination of the verification report will allow for its publication; and
- viii. Once the Positive Examination has been issued by the **EAD** and received by the MAP in its MCRS account, the MAP shall be eligible to request MOs issuance in accordance with the procedure below.

5.7.2.6 Requirements and procedure for issuance of authorized and verified MOs:

- i. MAPs requesting MOs issuance for authorized and verified Mitigation Activities, shall comply with the following requirements:
 - a. Have an account in the MCRS and have an assigned MAP-ID.
 - b. Have a validated MADD by an eligible VVB.
 - c. Have an issued A6.2LOA and have an assigned MA-ID.
 - d. Have complete monitoring reports as per the authorized MADD's monitoring plan.
 - e. Have verified monitoring reports by an eligible VVB.
 - f. Have a verification report's positive examination by the **EAD**.

- ii. Should the MAP comply with the aforementioned requirements, MAPs shall be eligible to request MOs issuance through the following procedure:
 - a. The MAP shall request MOs issuance per [Template N](#) attaching all required information by the template.
 - b. Upon receiving the MOs issuance request, the **EAD** shall review all information, and should it be accurate and complete, the **EAD** shall notify the MAP through its MCRS account that it has given an issuance pre-approval.
 - c. Upon granting the issuance pre-approval, the **EAD** shall request the MAP's payment of the applicable issuance fee in accordance with [Section 5.8 – Fees and Share of Proceeds](#).
 - d. Upon payment of the applicable issuance fee and confirmation by the **EAD** it has received payment, the **EAD** shall issue the recognized quantity of MOs.
 - e. The MCRS shall assign the unique identifiers specified in paragraph 5.7.1.2 (ii) to issued MOs.
 - f. The **EAD** shall record all issuances on the MCRS to comply with the transfer conditions and all eligible reporting requirements to the UNFCCC.

5.7.2.7 Procedure to transfer authorized and issued MOs:

- i. Following MOs issuance and prior to transferring MOs to the acquiring participating Party, the **EAD** shall retain MOs to cover the Buffer Fee for Malawi's National Buffer Account as follows—
 - a. Upon the MAP's request for transfer in its MCRS account, the **EAD** shall notify the MAP of the percentage (%) of retained MOs for Malawi's own NDC achievement as stipulated in the granted A6.2LOA.
 - b. The stipulated percentage shall be set in accordance with the requirements established in [Section 5.8 – Fees and Share of Proceeds](#).
 - c. The **EAD** shall send the retained MOs to Malawi's National Buffer Account and shall only use them in accordance with the specifications detailed in [Section 5.10 – National Buffer Account](#), paragraph 5.10.2.
- ii. Upon MOs retention for the Buffer Fee, the **EAD** shall transfer the remaining percentage of MOs as follows:
 - a. Where it is possible to connect the MCRS to the registry system of the participating acquiring Party, the MO exchanges, cancellation and their tracking shall take place electronically on the two registry systems.
 - b. When the MCRS is not linked to the acquiring participating Party's, the cancellation will be done in one registry and creation in another before effecting a transfer.
 - c. The Government of Malawi will use the debit and credit method to reconcile the quantities of transferred MOs.

5.7.3 Procedures to register, issue, track and transfer MOs for VCM Mitigation Activities requiring the application of a corresponding adjustment

5.7.3.1 Applicability and general requirements:

- i. All Mitigation Activities as defined in Section 4.4 – Development of Voluntary Carbon Market (VCM) Mitigation Activities, paragraph 4.4.1.1 (i), shall be subject to the conditions established in this paragraph.
- ii. The Government of Malawi shall recognize generated MOs in registries managed under the defined and recognized ICSs established in Section 4.4 – Development of Voluntary Carbon Market (VCM) Mitigation Activities, paragraph 4.4.1.1 (iii).
- iii. MAPs who choose to generate and issue MOs on a registry linked to a recognized ICS, shall satisfy the following conditions:
 - a. Have a MAP account and an assigned MAP-ID on the MCRS.
 - b. Comply with this Carbon Market Framework’s Mitigation Activity eligibility requirements.
 - c. Have an issued A6.2LOA.
 - d. Comply and follow the requirements of the recognized ICS’s registry.

5.7.3.2 Procedure for account creation in the MCRS:

- v. The provisions in paragraph 5.7.2.1 (i-iii) above, shall apply mutatis mutandis.

5.7.3.3 Procedure for requesting Mitigation Activity authorization:

- i. A MAP shall request authorization to the **EAD**, by uploading [Template G](#) in its MCRS account and annexing to it a positive validation report of the MADD ([Template E](#)) by an eligible VVB.
- ii. MAPs shall pay the applicable Listing Fee in accordance with [Section 5.8 – Fees and Share of Proceeds](#), for the **EAD** to initiate review and consideration of the intended Mitigation Activity’s submitted documentation.
- iii. Upon payment of the Listing Fee, the **EAD** shall review the positive validation report and, if compliant with the established completeness requirements in [Checklist A](#), it shall issue an A6.2LOA as per [Template H](#).

5.7.3.4 Procedure for issuing authorized MOs on recognized ICS’s registries:

- i. MOs issuance on a recognized ICS’s registry shall be done upon the provision of a Positive Examination notification by the **EAD** in the MAP’s account.
- ii. The MAP shall request the issued verification report’s examination to the **EAD** and the **EAD** shall issue a Positive Examination. Such process shall be carried out as follows:

- a. For requesting the **EAD's** examination of the verification report, the conditions in paragraph 5.7.2.5 (iv-v) above shall apply mutatis mutandis.
 - b. For the **EAD** to issue a Positive Examination of the submitted verification report, the conditions in paragraph 5.7.2.5 (vi-viii) shall apply mutatis mutandis.
 - iii. ITMOs issuance shall be carried out in accordance with the recognized ICS's requirements.
 - iv. The recognized ICS's registry shall issue the quantity of MOs with unique identifiers and, where possible, make an effort to be consistent with the unique identifiers adopted by the MCRS in paragraph 5.7.1.2 (ii) above.
 - v. The recognized ICS shall send to the **EAD**, MOs' issuance information for each authorized Mitigation Activity, at most 15 calendar days after the issuance via secured email and/or any electronic means commonly agreed between the **EAD** and the ICS's registry administrator. The issuance notification shall include, at least, the following information:
 - a. Sectoral scopes in which the proposed project activity falls
 - b. Activity type(s)
 - c. Metric
 - d. Quantity (expressed in metric)
 - e. Quantity (tCO₂eq)
 - f. Conversion factor
 - g. Acquiring participating Party
 - h. Use purpose(s) for cancellation (e.g., NDC achievement, OIMPs)
 - i. Using participating Party or authorized entity or entities
 - vi. The **EAD** shall maintain the received information in the MAPs account within the MCRS for record keeping and consistency before any transfer.
- 5.7.3.5 Procedure for MOs transfer utilizing a recognized ICS's registry:
- i. MOs transfer shall be carried out in accordance with the recognized ICS's requirements.
 - ii. To inform the **EAD** on transferred MOs, the provisions in paragraph 5.7.3.4 (iv.a-i) above shall apply mutatis mutandis.
 - iii. For consistent recording and tracking, the provisions in paragraph 5.7.1.3 (i) above shall apply mutatis mutandis.

5.7.4 Procedures to register, issue, track and transfer MOs for Article 6.4 engagement

5.7.4.1 Registry and tracking of A6.4ERs

- i. Registration of Mitigation Activities under the Article 6.4 shall be done pursuant to Section 5, subsections 5.1-5.3 (5.1.1-5.3.3), paragraphs 38-86, of the Procedure.
- ii. Furthermore, in accordance with chapter VI, paragraphs 63-65 of the annex to decision 3/CMA.3, the UNFCCC Supervisory Body and Secretariat shall design a registry for Article 6.4 transactions (hereinafter referred to as “mechanism registry”)
- iii. Pursuant to chapter VI, paragraphs 63-65 of the annex to decision 3/CMA.3, mechanism registry requirements shall include the following requirements:
 - a. Contain at least a pending account, holding account, retirement account, cancellation account, account for cancellation towards OMGE and a share of proceeds for adaptation account;
 - b. A holding account for each Party and each public or private entity authorized per Article 6, paragraph 4(b) of the Paris Agreement, by a Party that requests an account where that entity meets the requisite identification requirements developed by the Supervisory Body; and
 - c. The mechanism registry shall be connected to the international registry referred to in decision 2/CMA.3.

5.7.4.2 A6.4ERs issuance: Issuance of A6.4ERs shall be conducted pursuant to the requirements established in Section 8, subsections 8.1-8.3, paragraphs 132-187, of the UNFCCC Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects (hereinafter referred in this section as *‘the Procedure’*).

5.8 Fees and Share of Proceeds (SOPs)

This Section defines the Fees collected by Government to recover administration costs and Share of Proceeds (SOP) to fund adaptation and possibly mitigation activities in Malawi.

5.8.1 Administrative Fees

5.8.1.1 The Ministry of Natural Resources and Climate Change through EAD will establish administrative fees for covering the transaction costs associated with the assessment and management of applications for GHG mitigation activities to be implemented in Malawi. The fees will cover administrative costs of the Carbon Market Office, MEWG meetings and other review committees.

5.8.1.2 The respective administrative fees will be applicable to proposals, which are applying for:

- i. Transactions under Article 6.2;
- ii. Transactions under Article 6.4;
- iii. Voluntary Carbon Market mitigation projects requesting for Corresponding Adjustment for their carbon credits from the Government of Malawi (complementary to possible fees as collected by standards); and
- iv. Voluntary Carbon Market mitigation projects requesting a Letter of No Objection from the Government of Malawi for participation under voluntary standards.

5.8.1.3 The Government through the MNRCC will collect fixed administrative fees as follows:

- i. For Article 6 projects, total fees of USD 11,000 as follows:
 - a. MAP application fee of USD 1,000.00 for registration in the MCRS and its account maintenance;
 - b. MAIN Review and issuance of LNO fees of USD 2,000;
 - c. MADD review fees of USD 4,000;
 - d. Mitigation activity authorization and registration issuance and transfer fee of USD 4,000.
- ii. For Voluntary Carbon Markets, MAP application fee of USD 1,000.00 for registration in the MCRS and its account maintenance.

5.8.2 Listing fees (only for VCM Mitigation Activities requiring a CA and Article 6.4).

- i. USD 10,000 for VCM projects requiring CA under Article 6.2; and
- ii. USD 7,500 for Article 6.4.

5.8.3 Verification and Validation Bodies (VVB) fees

- i. USD 1,000.00 VVB entity registration/application fee to be used for scrutiny and registration of VVBs by EAD. Paid annually during renewal.
- ii. USD 500.00 application fee per project charged before validation and verification of each project.

5.8.4 All fees are non-refundable, payable at the time of submission of the application and independent of the outcome of the assessment.

5.8.5 Mitigation Outcome (MO) Issuance fees - USD 0.20 per MO.

5.8.6 Corresponding Adjustment (CA) Fees – USD 4 per issued MO (after having received an issuance pre-approval and having submitted the MOs issuance request form).

5.8.7 MNRCC reserves the right to adjust the above fees on an annual basis, based on inflation as published by the Reserve Bank of Malawi.

5.8.8 Non-monetary fees

5.8.8.1 Buffer Fee:

- i. Malawi shall impose a Buffer Fee on all authorized and MCRS-registered Mitigation Activities implemented within Malawi under Article 6.2 and Article 6.4. The Buffer Fee levels are established as follows:
 - a. 5 % retention of issued MOs for Article 6.2 and VCM with Corresponding Adjustment; and
 - b. 1% retention of issued MOs for Article 6.4 project
- ii. The Buffer Fee shall also be applied to any Mitigation Activity seeking an Article 6 attribute under an approved ICS, as defined in [Section 4.4 – Development of Voluntary Carbon Market \(VCM\) Mitigation Activities](#), paragraph 4.4.1.1 (i-iv).
- iii. Retained MOs under the Buffer Fee shall only be utilized for the established purposes in [Section 5.9 – National Buffer Account](#), paragraph 5.9.2.
- iv. The applicable Buffer Fee shall be communicated to the MAP under the “*Applicable Buffer Fee (MOs retention)*” section of the issued Article 6.2 Letter of Authorisation (LOA).
- v. Retained Article 6.4ERs shall be specified within the Article 6.4 LOA ([Template I](#)) under the ‘*Any further conditions associated with this approval/authorization*’ section.
- vi. The communicated Buffer Fee **shall NOT be changed** over the Mitigation Activity’s crediting period unless the Mitigation Activity experiences material deviations from the Article 6.2 LOA’s and Article 6.4LOA’s terms.
- vii. When an authorized MO is issued on an approved ICS’ registry, the conditions in [Section 5.9 – National Buffer Account](#), paragraph 5.9.1.4 (i-iii) shall apply.
- viii. The **EAD** shall retain authorized and issued MOs after approving the transfer request and before performing MOs transfer to the acquiring participating Party.

5.8.9 Share of Proceeds (SOP)

- 5.8.9.1 Aligned with the ‘Article 6 Rulebook’, Malawi through the MNRCC shall impose a fee on eligible mitigation activities, when issuing MO with corresponding adjustment, further referred to as SOP.
- 5.8.9.2 The following mitigation activities are required to pay SOPs:
 - i. Transactions under Article 6.2;
 - ii. VCM mitigation projects requesting for Corresponding Adjustment for their carbon credits from the Government of Malawi (complementary to possible fees as collected by standards);

5.8.9.3 The following activities are not required to pay SOPs:

- i. Transactions under Article 6.4, as these are collected by the UNFCCC Secretariat;
- ii. Voluntary carbon market projects not participating in Article 6.

5.8.9.4 The Acquiring Party (AP) (or the buyer of ITMOs) shall pay SOPs when requesting EAD to issue ITMOs. EAD shall issue ITMOs on the account of the activity proponent after having received the SOP payment from the AP (or the buyer of ITMOs).

5.8.9.5 SOP will be collected in monetary form as described below:

- i. Compliance Mechanism
 - a. Technology-based projects
 1. Cookstoves with efficiency of equal to or greater than 55%
 - 25% of gross revenue from Certified Emission Reduction
 2. Cookstoves with efficiency of less than 55%
 - 40% of gross revenue from Certified Emission Reduction
 3. Other technologies e.g. e-mobility, waste-to-energy etc
 - 15% of gross revenue from Certified Emission Reduction
 - b. Land-based including Nature Based Solutions projects
 1. Project on Customary (non-protected bare land)
 - 15% of gross revenue from Certified Emission Reduction
 2. Public protected land
 - 25% of gross revenue from Certified Emission Reduction
- ii. Non-Compliance mechanism
 - a. VCM projects not requiring corresponding Adjustment
 - 25% of gross revenue from Certified Emission Reduction

5.8.9.6 MNRCC reserves the right to adjust the above SOPs based on inflation, as published by the Reserve Bank of Malawi.

5.8.9.7 The collected generated revenue from SOP will be shared among key stakeholders as outlined in the Figure 7 below:

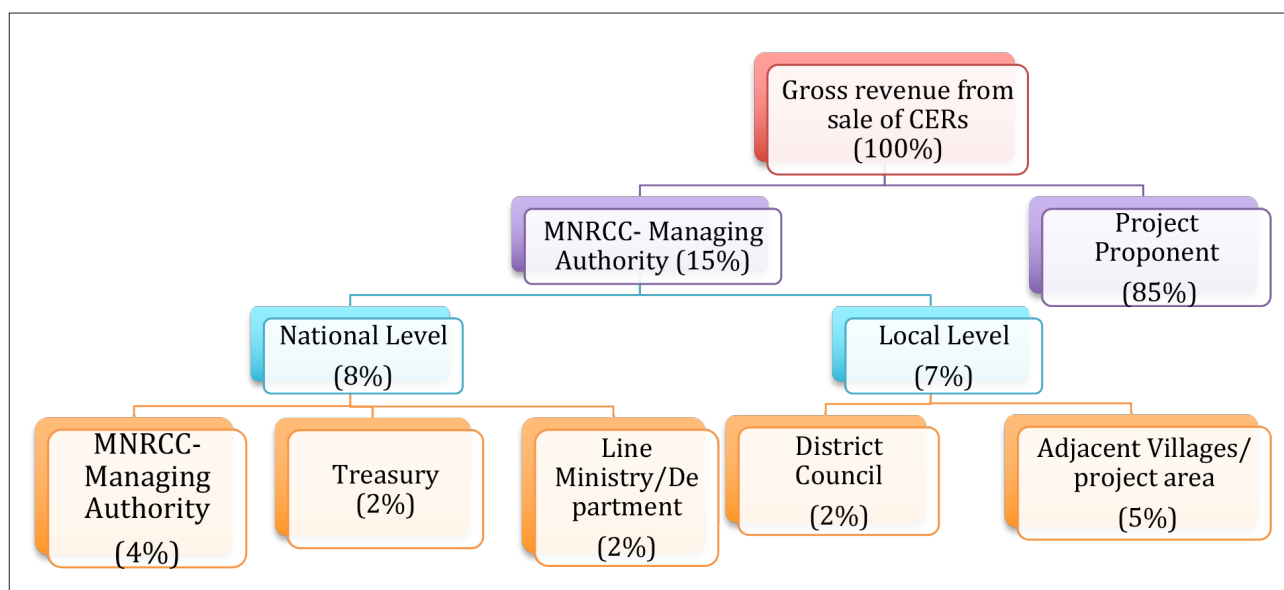


Figure 7: Share of Proceeds under Land-based including Nature Based Solutions projects - Projects on Customary (non-protected bare land)

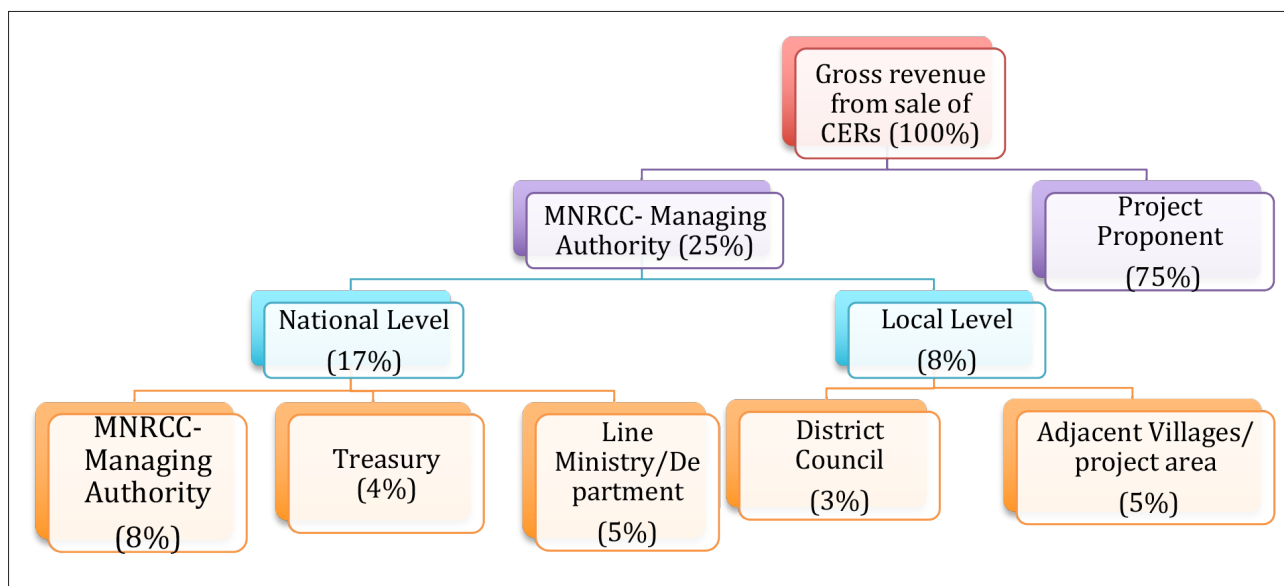


Figure 8: Share of Proceeds under Land-based including Nature Based Solutions projects - Public protected land

5.8.10 Purposes, management and use of collected monetary fees

5.8.10.1 The Administrative Fees shall be used to cover administrative costs incurred by EAD to ensure efficient operationalization of the following procedures:

- i. MAP's registration in the MCRS and its account maintenance;
- ii. Review of the MAIN. This is not applicable for VCM Activities requiring a corresponding adjustment;
- iii. Review of the MADD and its associated positive validation report; and
- iv. The authorization and registration of the Mitigation Activity. For VCM Activities requiring a corresponding adjustment only, the provision of a letter of Authorization.

- v. Review of the positive verification report.
 - vi. The Government of Malawi's reporting requirements to the UNFCCC.
- 5.8.10.2 The **MNRCC** shall manage the SOPs for the implementation of mitigation activities under Malawi's NDC unconditional targets and, where possible, to raise ambition beyond the NDC's targets.
- 5.8.10.3 Furthermore, the **MNRCC** shall reserve the right of utilizing collected monetary fees for other national uses, as long as they do not contravene, the Public Finance Management Act, and/or any other relevant dispositions enacted by the Ministry of Finance and/or other relevant Ministries within Malawi. Such other uses may include:
- i. Implementation of climate adaptation and resilience building initiatives or programs in alignment with Malawi2063;
 - ii. Government capacity-building activities for effective Article 6 operationalization;
 - iii. Country-readiness initiatives aimed at enhancing the skills and capabilities of local stakeholders. These may include but not limited to training programs and knowledge sharing initiatives
- 5.8.10.4 Monetary fees shall be managed by the **MNRCC** in accordance with the rules and provisions of the Public Finance Management Act mentioned in [Section 1.4 - Embodiment of Malawi's Carbon Market Framework in the national legal structure](#), paragraph 1.4.1.2.

5.8.11 Other Fees

- 5.8.11.1 The **EAD** reserves the right to create additional fees for services related to the implementation of Article 6.2 and 6.4 that have not been foreseen at the moment of this Carbon Market Framework's publication.
- 5.8.11.2 Any additional fees shall be established in a transparent and fair manner and the Government of Malawi shall duly explain the rationale behind them.
- 5.8.11.3 If new fees are established, this Framework document shall be amended in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

5.9 National Buffer Account

5.9.1 General Requirements

Malawi shall create a National Buffer Account (NBA) serving as a country-managed account to retain MOs collected from charging the Buffer Fee in accordance with [Section 5.8 – Fees and Share of proceeds](#), paragraph 5.8.2.1 (i-vii) and paragraph 5.8.4.1, Table 9.

5.8.11.1 The NBA shall be established as a part of the MCRS' infrastructure and shall be administered by the **EAD**.

5.8.11.1 Malawi shall retire MOs into its NBA after approving the MOs transfer request and prior to transfer of non-retained MOs to the acquiring participating Party.

5.8.11.1 When an authorized MO is issued and to be transferred on an ICS's registry, the following shall apply:

- i. The ICS's registry administrator shall retain the applicable Buffer Fee as stated in the A6.2LOA and shall notify the **EAD** via email or through any previously agreed channels of the quantity and details of the MOs that are retained after every issuance;
- ii. In the last issuance before the crediting period, the **EAD** shall request the transfer of all retained MOs earmarked for the NBA, from the ICS's registry; and
- iii. The **EAD** shall reflect all transfers in the NBA and apply all necessary reconciliations.

5.9.2 Purposes of the NBA and utilization of retained MOs

5.9.2.1 All retained MOs under the Buffer Fee and transferred to the NBA shall ONLY be utilized by Malawi for the following purposes:

- i. Reduce over-crediting risks beyond Malawi's unconditional mitigation targets.
- ii. Achieve its own NDC, when performing Corresponding Adjustments from transferred MOs to an acquiring participating Party.
- iii. Be cancelled against Malawi's contribution to Overall Mitigation of Global Emissions (OMGE) as described in [Section 5.10 – Ambition in Mitigation and Adaptation](#), paragraph 5.11.1.1 (i-iii).

5.9.2.2 Malawi shall not re-issue and/or re-sell MOs held in the NBA and shall not be eligible for transfer to any acquiring participating Party, at any point.

Table 6: Fees levels

Category	Est. annual average GHG reductions/removals	Fee level	Timing of payment	Fee description	Fee justification
Article 6.2 administrative fees – All size Mitigation Activity	All	USD 11,000	USD 1,000.00 - MAP application	Paid upfront during application for initial scrutiny	The GoM has designed the Article 6.2 Administrative fee to cover the administrative expenses incurred and daily operations by the EAD .
			USD 2,000 - MAIN submission	One-time payment at submission of MAIN to allow the EAD review and issue LNO	
			USD 4,000 - MADD submission	One-time payment at submission of MADD and associated reports to allow the EAD and EWG	
			USD 4,000 - Mitigation activity authorization and registration issuance and transfer.	review the MADD and associated documents and issue LOA including conduct monitoring exercises.	
VCM not requiring CA administrative fees – All size Mitigation Activity	All	USD 1,000	USD 1,000.00 - MAP application	Paid upfront during application for initial scrutiny	The GoM has designed Administrative fee for VCM not requiring CA to cover registration of Mitigation Activity in the MCRS as well as cover the administrative expenses incurred by the EAD .
Listing fee levels (only for VCM Mitigation Activities requiring a CA and Article 6.4)	All	USD 10,000 for VCM projects requiring CA under Article 6.2	USD 2,000 - MAIN submission	One-time payment at submission of MAIN to allow the EAD review and issue LNO	The GoM has designed the Listing fee to cover the administrative expenses incurred and daily operations by the EAD
			USD 4,000 - MADD submission	One-time payment at submission of MADD and associated reports to allow the EAD and EWG	
			USD 4,000 - Mitigation activity authorization and registration issuance and transfer.	review the MADD and associated documents and issue LOA including conduct monitoring exercises.	

Category	Est. annual average GHG reductions/removals	Fee level	Timing of payment	Fee description	Fee justification
		USD 7,500 for Article 6.4 engagement.	USD 1,000.00 - MAP application	Paid upfront during application for initial scrutiny	The GoM has designed the issuance fee for the established purposes of authorization and project approval for registration including preparation of LOA statement, LOA, initial report, annual report costs, and cost of UNFCCC review of initial report and cost associated with regular reporting.
			USD 2,000 - MAIN submission	One-time payment at submission of MAIN to allow the EAD review and issue LNO	
			USD 4,500 - MADD submission, review and issuance of the letter of Approval for the Mitigation Activity.	One-time payment at submission of MADD and associated reports to allow the EAD and EWG review the MADD and associated documents and letter of Approval for the Mitigation Activity including conduct monitoring exercises.	
Issuance fee	All	USD 0.20 per Mitigation Outcome	After having received an issuance pre-approval and having submitted the MOs issuance request form)	Fees applied per tCO ₂ e during the issuance of emission reductions that have been transferred from Malawi to an acquiring party	These fees will be used for scrutiny and registration of VVBs after they submit their entity for registration in the MCRS and to cover support services by the Government of Malawi during the validation and verification processes
CA fee	All	USD 4.00 per issued MO	Soon after MOs issuance	Fees applied per tCO ₂ e during the accounting of emission reductions that have been transferred from Malawi to an acquiring party	
VVB fees	All	USD 1,000.00 VVB entity registration/application fee	i. During VVB entity application for registration	Fees charged at VVB entity application for registration with EAD and paid during every year during renewal.	
			ii. Renewable every year.		
			iii. Fees charged before validation and verification of each project	Upfront payment to EAD before validation and verification of each project	

Category	Est. annual average GHG reductions/removals	Fee level	Timing of payment	Fee description	Fee justification
Concessional fees for projects using public properties and assets	NA	Based on prevailing valuation of public property	Upfront soon after authorization and MOU and thereafter annually	Periodic payment fee for use of public property and assets	Fees paid for use of public property and assets which the Government has invested in.
Buffer fee	All	5 % retention of issued MOs for Article 6.2 and VCM with CorrWesponding Adjustment; and	After having requested MOs transfer and before the EAD, the ICS' registry administrator or the UNFCCC's registry administrator transfers non-retained MOs to the acquiring participating Party.	Payment done every time a MAP requests transfer of MOs (including transfers through ICS' registries) and for the EAD to transfer authorized and issued MOs or approve the ICS' registry administrator to transfer authorized and issued MOs.	The GoM has designed the Buffer Fee for the established purposes in Section 5.9 – National Buffer Account , paragraph 5.10.2 below.
		1% retention of issued MOs for Article 6.4 project			

5.10 Ambition in Mitigation and Adaptation

5.10.1 Article 6.2 engagement

5.10.1.1 Mitigation

- i. Malawi may, on a voluntary basis and upon common agreement with any participating acquiring Party in a cooperative approach, agree to cancel and destine a share of MOs to the Overall Mitigation of Global Emissions (OMGE).
- ii. Should the participating Parties in the cooperative approach agree upon MO cancellation for OMGE, the following shall apply:
 - a. Possible MOs cancellation towards OMGE shall be related to a percentage of authorized MOs at MO issuance; and
 - b. The cancelled percentage towards OMGE shall be set upon common agreement by Malawi and the acquiring participating Party.
- iii. If an OMGE cancellation is agreed upon the participating Parties in a cooperative approach, each participating Party shall indicate cancelled MOs towards OMGE as part of their Regular Information report, which shall be included as an annex to their respective BTRs.

5.10.1.2 Adaptation

- i. Malawi may, on a voluntary basis and upon common agreement with any participating acquiring Party, agree to destine a Share of Proceeds (SoP) from the cooperative approach, into the Adaptation Fund.
- ii. Should the participating Parties in the cooperative approach agree upon a SoP, the SoP shall comprise an amount to be set upon common agreement by Malawi and the acquiring participating Party.
- iii. If applicable, each participating Party in the cooperative approach shall include common SoPs to the Adaptation Fund, as part of their Regular Information Report, included as an annex to their respective BTRs.

5.10.2 Article 6.4 engagement

5.10.2.1 Mitigation

- i. As outlined in chapter VIII of the annex to decision 3/CMA.3, delivery of overall mitigation in global emissions shall be enhanced through mandatory cancellation of A6.4ERs that are also accounted for in accordance with the following:
 - a. The mechanism registry administrator shall effect a first transfer of a minimum of 2 per cent (2%) of the issued A6.4ERs to the cancellation account in the mechanism registry for overall mitigation in accordance with chapter V above (Article 6, paragraph 4, activity cycle), where those A6.4ERs shall be cancelled;

- b. The cancelled A6.4ERs shall not be further transferred or used for any purpose, including towards achievement of any NDC or for other international mitigation purposes or for other purposes; and
 - c. At first transfer of the remaining issued A6.4ERs, the host Party shall make a corresponding adjustment consistently with decision 2/CMA.3 for the number of issued A6.4ERs first transferred.
- ii. In addition to the above, Parties, activity participants and stakeholders may also request the voluntary cancellation of A6.4ERs in the mechanism registry for the purpose of delivering further overall mitigation in global emissions that have been correspondingly adjusted in accordance with chapter III.B of decision 2/CMA.3.

5.10.2.2 Adaptation

- i. As outlined in chapter VII of the annex to decision 3/CMA.3, the levy of share of proceeds for adaptation and administrative expenses shall be delivered through mandatory cancellation of A6.4ERs that are also accounted for in accordance with the following:
 - a. A levy of 5 per cent (5%) of A6.4ERs at issuance; and
 - b. A monetary contribution related to the scale of the Article 6, paragraph 4, activity or to the number of A6.4ERs issued, to be set by the Supervisory Body.
- ii. The share of proceeds to cover administrative expenses shall be set in monetary terms at a level and implemented in a manner to be determined by the CMA.

5.11 Use of Government property and assets

- 5.11.1 All public property shall remain under the ownership of Government.
- 5.11.2 There shall be no exclusive rights over Government property leased to project developers or MAPs as Government reserves the right to access and monitor the status of its property.
- 5.11.3 The developer shall only be given the right to develop a carbon project and transact on carbon markets.
- 5.11.4 All carbon credit rights shall belong to the Government of Malawi, as a host party.
- 5.11.5 Government of Malawi shall enter into bilateral agreements, memorandum of understanding, memorandum of agreements which shall be subject to technical and legal review.
- 5.11.6 Agreements shall be subjected for annual review based on performance and nature of mitigation activity being implemented.

5.12 Enforcement and provisions for appeals, non-compliance and penalties

5.12.1 Article 6.2 engagement

5.12.1.1 Enforcement authority

- i. The responsibilities for this Carbon Market Framework's enforcement are guided as follows:
 - a. For Mitigation Activity Participants and Mitigation Activities under Article 6.2, enforcement shall be guided as per [Section 2.2 - National Institutional roles for Article 6.2](#); and
 - b. For Mitigation Activity Participants and Mitigation Activities under Article 6.4, enforcement shall be guided as per [Section 2.3 - National Institutional roles for Article 6.4](#).
- ii. In case of any MAP's non-compliance with the provisions established in paragraph 5.12.1.3 (i.a-e) below, the **EAD** shall impose the corrective measures in paragraph 5.12.1.3 (ii.a-f) below.

5.12.1.2 Appeals

- i. As established in [Section 2.2 - National Institutional roles for Article 6.2](#), paragraph 2.2.2.2, the **EAD** shall be responsible of:
 - a. Receiving petitions on grievances;
 - b. Provide resolutions on grievances; and
 - c. Where necessary, designate an independent body to adjudicate disputes presented by Mitigation Activity Participants to decisions or actions of the **EAD**.
- ii. Settlement of disputes shall be conducted in accordance with paragraph 5.12.1.6 below.

5.12.1.3 Non-Compliance and Penalties for Mitigation Activity Developers

- i. The following instances are to be considered as non-compliance by any MAP:
 - a. Failure to adhere to the methodologies and standards for ex-ante estimation of mitigation activity and MOs transactions, as prescribed in this framework;
 - b. Providing false or misleading information or data related to the mitigation activity or MO transactions;
 - c. Failure to comply with the terms and conditions of the MO transaction as agreed with the acquiring party;
 - d. Non-compliance with the monitoring, reporting, and verification requirements related to the mitigation activity or MO transactions; and
 - e. Non-compliance with the conditions and requirements of the authorization entity.

- ii. In case of non-compliance, the following actions may be taken by the authorities:
 - a. Issuance of warning letters or notices to rectify the non-compliance within a specified timeframe;
 - b. Suspension or withdrawal of the Mitigation Activity Developer's MAP account;
 - c. Deduction of MOs from the Mitigation Activity Developer's holding account, proportional to the extent of the non-compliance;
 - d. Imposition of financial penalties, including the forfeiture of the holding account or any amount equal to the value of the MOs generated by the non-compliant Mitigation Activity;
 - e. The authorities reserve the right to take any other corrective measures deemed necessary in case of non-compliance by the Mitigation Activity Developer; and
 - f. As a last resort and in case of continuous non-compliance, A6.2LOA withdrawal in accordance with paragraph 5.12.1.4 below.

5.12.1.4 A6.2LOA withdrawal

- i. Authorization withdrawal shall be a last resort, where the application of penalties and other sanctions determined previously by Malawian authorities have not ensured the involved Party(ies) and/or authorized entity(ies) compliance.
- ii. Withdrawal of authorization shall only be appropriate where the **MNRCC**, has undisputable evidence that a Mitigation Activity Participant has incurred in the following actions:
 - a. Human Rights violations.
 - b. Indigenous people's rights violations;
 - c. Violations to national and/or subnational environmental legislation;
 - d. Fraud associated to the development of the Mitigation Activity;
 - e. Embezzlement associated with the development of the Mitigation Activity;
 - f. Gross misconduct and/or negligence associated to the development of the Mitigation Activity;
 - g. Criminal misconduct associated to the development of the Mitigation Activity; and
 - h. Failure to duly notify the EAD any of the Mitigation Activity changes referred to in [Section 5.5 - Mitigation Activity approval/ authorization specifications under Article 6.2 and Article 6.4](#), paragraph 5.5.4.2 (ii).

- iii. To proceed with LOA withdrawal, a “minded to withdraw” notification shall be issued by the **MNRCC** where serious or significant non-compliance is identified pursuant to paragraph 5.12.1.4 (ii) above, making withdrawal appropriate.
- iv. The “minded to withdraw” notification shall advise the authorized entity(ies), that the Government of Malawi is inclined to withdraw its authorization on the basis of the facts stated in the “minded to withdraw” notification.
- v. A withdrawal shall not be applicable in the event that the authorized entity(ies) do/does not receive a “minded to withdraw” notification at least 90 calendar days prior to the official date of withdrawal.
- vi. The “minded to withdraw” notification shall be issued by the **MNRCC** and should:
 - a. Be dated and duly signed or stamped;
 - b. Be sent to the acquiring participating Party, in addition to the affected authorized entity(ies);
 - c. Specify the effective date of withdrawal;
 - d. Identify the affected Mitigation Activity Participants (namely, the authorized entity(ies) to which the withdrawal applies);
 - e. State the date of the original Letter of Authorization;
 - f. Include, in detail, the reasons for withdrawal;
 - g. Specify the channels of communication between the affected entity(ies) and the **MNRCC**; and
 - h. Contain all other relevant information considered necessary by the **MNRCC**.
- vii. Authorization withdrawal shall only enter into effect on the effective date stated within the “minded to withdraw” notification.
- viii. The affected authorized entity(ies) shall:
 - a. Within 10 natural days of the “minded to withdraw” notification, confirm reception to the **MNRCC** through the channels specified in the “minded to withdraw” notification;
 - b. The affected entity(ies) shall have up to 90 calendar days after the confirming receipt of the “minded to withdraw” notification to present any intention to dispute the withdrawal by the **MNRCC**; and
 - c. Withdrawal disputes shall be carried out and arbitered pursuant to paragraph 5.12.1.6 below.

- ix. Upon the entry into force of the withdrawal of authorization, the VVB or DOE shall:
 - a. Make all monitoring reports publicly available;
 - b. Submit verification and certification reports in respect of all emission reductions/removals achieved prior to the Effective Date of withdrawal.
 - c. The VVB or DOE shall not make any monitoring report publicly available for a period that includes any date that is on or after the Effective Date of withdrawal.
- x. In the event that future guidance or decisions established by the CMA or the UNFCCC Supervisory Body on withdrawal, contravene any of the dispositions established within this Framework document, the Government of Malawi shall amend this Framework document in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

5.12.1.5 Implications of withdrawal of authorization

- i. For any authorized Mitigation Activity from which Malawi withdrew its authorization, requests for issuance of GHG emission reductions or net GHG removals achieved by the Mitigation Activity in the period prior to the Effective Date of withdrawal, may continue to be submitted within one year after the end of that crediting year, at the latest.
- ii. Consequently, MOs may be issued in accordance with [Section 5.7 – Procedures for registry, issuance and tracking of MOs and A6.4ERs](#), paragraph 5.7.1.5 (i-iv).
 - a. Malawi shall communicate authorization withdrawal to the other participating Party through commonly agreed channels by sharing all relevant information supporting the reasons for withdrawal.
 - b. The **MNRCC**, on the technical recommendations of the **EAD** and the **MEWG**, may reserve the right to set a different deadline in the future.
 - c. Should the **MNRCC** set a different deadline, the Government of Malawi shall amend this Framework document in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).
- iii. For any authorized Mitigation Activity from which Malawi did not withdraw its authorization, but the other participating Party withdrew its authorization, issuance requests for GHG emission reductions or net GHG removals achieved by the Mitigation Activity in the period prior to the Effective Date of the other participating Party's withdrawal, may continue to be submitted within the established timeframe of the other participating Party.
 - a. The other participating Party shall communicate authorization withdrawal to Malawi through commonly agreed channels by sharing all relevant information supporting the reasons for withdrawal.

- i. In the event that the other participating Party has not established a timeframe for issuance requests after withdrawing its authorization, such timeframe shall be agreed upon Malawi and the other participating Party upon its notification of withdrawal. Once a commonly agreed timeframe for issuance requests be reached, MOs may be issued in accordance with [Section 5.7 - Procedures for registry, issuance and tracking of MOs and A6.4ERs](#), paragraph 5.7.1.5 (i-iv).
- ii. In the event that the CMA and/or any other Article 6-related UNFCCC body adopts any future decisions or dispositions concerning the implications of authorization withdrawals under Article 6.2, the Government of Malawi shall amend this Framework document (if needed) in accordance with [Section 5.13 – Revisions and updates to the Carbon Market Framework](#).

5.12.1.6 Settlement of disputes

- i. Disputes between the involved Parties concerning the interpretation or application of the withdrawal should, as far as possible, be settled by all directly concerned Parties.
- ii. A Steering Committee shall provide assistance in the settlement of disputes. Such committee shall ensure impartiality and shall be constituted as follows:
 - a. The Steering Committee shall be constituted of two (2) member designated by the Government of Malawi, and one (1) national of a third Party agreed upon by the concerned Parties;
 - b. The affected Party shall appoint up to two (2) representatives to the steering Committee, who shall act on its behalf; and
- iii. In case a dispute cannot be settled by the Steering Committee, the directly concerned Parties shall be submitted to an arbitration tribunal.
- iv. Such arbitration tribunal shall be constituted ad-hoc as follows:
 - a. Each involved Party in the dispute, shall appoint one (1) member, and the Steering Committee shall agree upon a national of a third Party to act as the chair of the arbitration tribunal; and
 - b. Such members shall be appointed within three (3) months from the date on which the concerned Party has informed the Party that initiated the dispute, that it has requested arbitration to settle their dispute.
- v. The arbitration tribunal shall reach its decision by a majority of votes, and the decisions shall be legally binding.
- vi. Each involved Party shall bear the cost of its own member and of its representatives in the arbitration proceedings. The cost of its chairman and the remaining costs shall be borne in equal parts by the involved Parties.

- vii. The arbitration may adopt a specific regulation concerning costs. In all other respects, the arbitration tribunal shall determine its own procedures.

5.12.2 Article 6.4 engagement

- 5.12.2.1 Stakeholders, MAPs, the Government of Malawi and any other participating Parties, through their NDAs, may appeal decisions of the Article 6.4 Supervisory Body or request that a grievance be addressed in accordance with the UNFCCC Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects¹⁹ and the UNFCCC Procedure: Appeals and grievance processes under the Article 6.4 mechanism, referenced in [Section 4.4 - Mitigation Activity Development Cycle under Article 6.4](#).
- 5.12.2.2 Furthermore, this Framework document shall comply and abide by future decisions, regulations and any other dispositions adopted by the CMA and/or the Article 6.4 Supervisory Body.

5.13 Revisions and updates to the Carbon Market Framework

- 5.13.1 The **MNRCC**, through the **EAD** and with the support of the **MEWG**, shall amend and update the Carbon Market Framework as and when necessary, in consultation with the **NSCCC** and relevant Ministries, Department and Departments and stakeholders.
- 5.13.2 The Carbon Market Framework shall have scheduled review periods as follows:
- 5.13.2.1 Scheduled review timeframes:
- A first review which may take place in 2025, if necessary, during Malawi's updated NDC review period; and
 - After the latter, every five (5) years during each NDC review period.
- 5.13.2.2 Possible scheduled review subjects:
- Eligible standards and methodologies;
 - Malawi's positive and negative lists;
 - Established Article 6 fees; and
 - Any other deemed relevant to ensure proper operationalization of Article 6.
- 5.13.2.3 Timing and applicability of scheduled review updates:
- The **MNRCC** shall have up to 270 calendar days, after the scheduled review period starts, to publish any updates done to the Carbon Market Framework; and
 - All amendments and/or updates **shall be applicable post-factum to the Effective Date of update publication**.

¹⁹ Procedure A6.4-SB008-A06: Article 6.4 activity cycle procedure for projects

5.13.3 Furthermore, the Carbon Market Framework may be subject to ad-hoc reviews outside of the scheduled review periods to ensure its continued relevance and effectiveness. Such ad-hoc reviews shall be performed as follows:

5.13.3.1 Ad-hoc review timeframes:

- i. The **MNRCC** may undertake ad-hoc reviews as deemed necessary, or in response to specific circumstances that warrant such evaluation outside the scheduled review timeframe mentioned in paragraph 5.13.2.1 above.

5.13.3.2 Ad-hoc review subjects:

- i. Upon the publication of any mandatory guidance, decisions, rules and/or regulations enacted by the UNFCCC, the CMA and/or the Article 6.4 Supervisory Body, causing this Carbon Market Framework to be in non-compliance with such enacted dispositions.
- ii. Eligible standards and methodologies.
- iii. Any other deemed relevant to ensure proper operationalization of Article 6.

5.13.2.3 Timing and applicability of ad-hoc review updates:

- i. The provisions in paragraph 5.13.2.3 (i-ii) above shall apply mutatis mutandis.
- ii. In cases where the condition in paragraph 5.13.3.2 (i) above occur, prior to the ad-hoc review, any mandatory guidance, decisions, rules and/or regulations enacted by the UNFCCC, the CMA and/or the Article 6.4 Supervisory Body, shall supersede the sections and/or paragraphs that are in non-compliance until the ad-hoc review is performed and updates are published.

5.13.4 The process to conduct updates to the Carbon Market Framework shall be performed as follows—

5.13.4.1 **The MNRCC**, through the **EAD** and with the support of the **MEWG**, shall identify areas that require updates as follows:

- i. In the cases of scheduled reviews, the subjects mentioned in paragraph 5.13.2.2 (i-iv) above.
- ii. In the cases of ad-hoc reviews, the subjects mentioned in paragraph 5.13.3.2 (i-iii) above.

5.13.4.2 After such areas have been identified, the **MNRCC** through the **EAD** and with the support of the **MEWG**, shall develop a consultation paper outlining the proposed revisions and updates to the Carbon Market Framework.

- i. The consultation paper shall be shared with stakeholders through official communication channels, that the **MNRCC** designates, for stakeholder feedback and comments;

- ii. The stakeholder consultation period shall remain open for a period of no less than 30 calendar days and up to 60 calendar days after the consultation paper has been published; and
- iii. The EAD shall publicly respond to received feedback and publish such responses through the same official communication channels.

5.13.4.3 Based on the received feedback, the **MNRCC** with the support of the **EAD** and support of the **MEWG**, will prepare a draft of the revised Carbon Market Framework.

- i. The revised Carbon Market Framework's draft shall be submitted to stakeholder consultation for a period of no less than 60 calendar days and up to 90 days after the draft has been published.
- ii. The **EAD** shall publicly respond to received feedback and publish such responses through the same official communication channels.

5.13.4.4 Once the consultation is closed, the revised Carbon Market Framework's draft shall be subjected to approval by the **NSCCC**.

- i. Upon approval by the **NSCCC**, the **MNRCC** shall officially publish the revised Carbon Market Framework in the Malawi Government Gazette.
- ii. The **NSCCC** shall monitor the implementation of the revised Carbon Market Framework and the **MNRCC** shall conduct further ad-hoc reviews, as needed, to ensure its effectiveness.

Annex I –Article 6 Framework’s sample letters, templates and forms

This annex includes the proposed templates that shall be used to implement the processes and procedures of this Article 6 Framework’s Requirements.

No.	Template	Applicability
1	Template A: Application form for Mitigation Activity Participants and other entities	Article 6.2
		VCM requiring a CA
2	Template B: Mitigation Activity Idea Note (MAIN)	Article 6.2
3	Template C: Letter of No Objection	
4	Template D: Approval Support Statement	Article 6.4
5	Template E: Mitigation Activity Design Document (MADD)	Article 6.2
		VCM requiring a CA
6	Template F: Request for Letter of Authorization and Mitigation Activity Registration	Article 6.2
7	Template G: Request for Letter of Authorization for a VCM Mitigation Activity	VCM requiring a CA
8	Template H: Article 6.2 Letter of Authorization (A6.2LOA)	Article 6.2
		VCM requiring a CA
9	Template I: Article 6.4 Letter of Authorization (A6.4LOA)	Article 6.4
10	Template J: Article 6.2 Initial Report (AIR)	Article 6.2 VCM requiring a CA
11	Template K: Monitoring Report	
12	Template L: Request for verification report’s examination by the EAD	
13	Template M: Environmental Affairs Department Positive Examination Notification	
14	Template N: MOs issuance request form	
15	Template O: Annual Information Report	Article 6.2
16	Template P: Regular Information Report	VCM requiring a CA
		Article 6.4

Template A: Application form for MAPs and other entities [for Article 6.2]**Application form for Mitigation Activity Participants and other entities**

Any MAP and/or other entity (i.e., service providers, Validation/Verification Bodies) intending to engage in Article 6 within Malawi, shall generate an account on Malawi's Carbon Registry System (MCRS) by completing this form and submitting it to the **EAD** through the following website: [website link].

1. MAP or Entity Details

MAP or Entity legal name	[Insert text]
Entity application type	[MAP] or [VVB]
Country of operations	[Insert text]
Sector	[Insert text]
Official address	[Insert text]

2. MAP or Entity documentation

Business registration number	[Insert text]
-------------------------------------	---------------

Official business documentation

Please add as an attachment the following applicable documentation to this form:

- ☐ Official certification of registration/incorporation (MAPs and Entities)
- ☐ Tax clearance certificate (MAPs and Entities)

3. MAP or Entity contact person

Name of key contact person	[Insert text]
Position of contact person	[Insert text]
Phone number of contact person <i>(including country code)</i>	[Insert text]
E-mail of contact person	[Insert text]

4. Submission details

Submitted by (full name)	[Insert text]
Designation/Position	[Insert text]
Signature	[Insert Signature]
Submission Date	[DD/MM/YYYY]

5. Definitions:

MAPs: local or international companies/businesses involved in the development and implementation of eligible mitigation activities aiming to create authorized Mitigation Outcomes for international transfer to a Participating Party(ies) with whom Malawi has entered into an Article 6.2 bilateral/plurilateral agreement.

Entity: local or international companies/businesses providing services to MAPs on activity sourcing, conducting feasibility and development of activities, validation and verification, offering financial, monitoring and registry services, and carbon credit brokers (buying and selling).

Template B: Mitigation Activity Idea Note (MAIN) [for Article 6.2 and Article 6.4]

Mitigation Activity

Idea Note (MAIN)

The Mitigation Activity Participant (MAP) shall prepare a MAIN through the use of this template. The MAIN shall be submitted to the **Environmental Affairs Department** for each Mitigation Activity seeking to generate authorized Article 6.2 MOs. The MAIN shall be used to evaluate the Mitigation Activity's eligibility for Article 6.2, detail its alignment with Malawi's National Determined Contribution (NDC) and Sustainable Development Goal (SDG) priorities.

1. Mitigation Activity Participant (MAP) background information

MAP legal name	[Insert text]
Existing MAP-ID	[Insert text]
MAP full address	[Insert text]

2. MAP or Entity contact information

Name of key contact person	[Insert text]
Position of contact person	[Insert text]
Phone number of contact person <i>(Including country code)</i>	[Insert text]
E-mail of contact person	[Insert text]

3. Background information of the proposed Mitigation Activity

Title of proposed Mitigation Activity	[Insert text]		
Location of Mitigation Activity <i>(Full address and coordinates)</i>	[Insert text]		
Intended Acquiring Party(ies)	[Insert text]		
Mitigation Activity sector <i>(Checkmark option or write/explain if other)</i>	Energy (including transport)	Waste	
	Industrial Processes and Product Use (IPPU)	Agriculture	
	Other: [Insert text if applicable]		
Is the Mitigation Activity under the Malawi's Article 6 eligible sectors and activities?	Yes	No	
Type of Mitigation Outcome the Mitigation Activity seeks to generate <i>(Checkmark option)</i>	For NDC achievement	For Other International Mitigation Purposes (OIMPs)	

4. Summary of the proposed Mitigation Activity

[Insert text]

5. Introduction to the proposed Mitigation Activity

[Insert text]

6. Objectives of the proposed Mitigation Activity

[Insert text]

7. Linkage with Malawi's relevant NDC sectoral priorities

[Insert text]

8. Contribution to Malawi's SDG priorities

[Insert text]

9. Proposed technology and rationale for its application

[Insert text]

10. Statement for technical/financial additionality and financial requirements

[Insert text]

11. Monitoring, Reporting and Verification (MRV) Plan

[Insert text]

12. Governance Arrangement

[Insert text]

13. Intended Mitigation Activity Workplan

[Insert text]

14. Submission details

Submitted by (<i>full name</i>)	[Insert text]
Designation/Position	[Insert text]
Signature	[Insert signature]
Submission Date	[DD/MM/YYYY]

Template C: Letter of No Objection [for Article 6.2]

[Ref. Number]

Subject:

Letter of No Objection for [Name of Mitigation Activity]

Esteemed [Mitigation Activity Participant Name],

The **Ministry of Natural Resources and Climate Change** through its Environmental Affairs Department, as Malawi's Article 6.2 authorization and operationalization entities, having diligently reviewed the initially submitted Mitigation Activity Idea Note (MAIN), hereby declare the following:

- The proposed [Name of Mitigation Activity] (hereinafter referred to as "*Mitigation Activity*"), aligns with Malawi's eligible NDC sectors and activities for development under Article 6.2 and/or the Mitigation Activity's pertinence to Malawi's National GHG Inventory, as established in Malawi's Article 6 Framework.
- The Mitigation Activity, in general, complies with Malawi's prioritized NDC sectors and sustainable development priorities established in Malawi's Article 6 Framework and any other applicable national environmental laws, codes, decrees, etc.
- The Mitigation Activity has been submitted by [Mitigation Activity Participant Name] (hereinafter referred to as "*Mitigation Activity Participant*"), an eligible registered Mitigation Activity Participant in Malawi's Carbon Registry System (MCRS) with MAP-ID [Insert MAP-ID].

Therefore, the **Environmental Affairs Department** is pleased to provide a no objection decision for the Mitigation Activity Participant's proposed Mitigation Activity, to proceed with the development and submission of a Mitigation Activity Design Document (MADD) and its posterior validation by an independent internationally recognized Validation/Verification Body (VVB).

This no objection does NOT constitute an authorization of the Mitigation Activity. Its sole purpose is to indicate Malawi's disposition to consider the Mitigation's Activity's implementation, the possible issuance of an Article 6.2 Letter of Authorization (A6.2LOA), and the future application of corresponding adjustments as required by the annex to Decision 2/CMA.3, should the Mitigation Activity be conceded a positive validation.

Under hand and seal of the
Ministry of Natural Resources and Climate Change and the Environmental Affairs
Department

[Signature]

[Official Designation, Name of Signatory]

[Date]

Republic of Malawi

Template D: Approval Support Statement [for Article 6.4]

[Ref. Number]

Subject:

Article 6.4 approval support statement for **[Name of Mitigation Activity]**

Esteemed **[Mitigation Activity Participant Name]**,

The **Ministry of Natural Resources and Climate Change** through its Environmental Affairs Department, as Malawi's Designated National Authority (hereinafter referred to as "DNA") to the UNFCCC and the Article 6.4 Mechanism, declares by this approval support statement the following:

- Malawi became a Party to the Paris Agreement in June 2017 and has maintained its updated NDC, published in 2021, within the UNFCCC's NDC registry. Therefore, as a Party to the Paris Agreement, it is eligible to participate in the Article 6.4 mechanism.
- After reviewing the initial documentation submitted by **[Mitigation Activity Participant Name]** (hereinafter referred to as "*Mitigation Activity Participant*") for the proposed *[Name of Mitigation Activity]* (hereinafter referred to as the "*Mitigation Activity*"), through a Mitigation Idea Note (MAIN), the **Ministry of Natural Resources and Climate Change** and the **Environmental Affairs Department** as Malawi's DNA to the mechanism has:
 - a. Reviewed that the proposed Mitigation Activity complies in fully with the provisions established under Malawi's Article 6 Framework.
 - b. Deemed that the proposed Mitigation Activity aligns with Malawi's eligible NDC sectors and activities for development under Article 6.4 participation.
 - c. Ensured that the proposed Mitigation Activity falls within Malawi's prioritized NDC sectors and is part of the country's National GHG Inventory.
 - d. Approved the Mitigation Activity Participant as the Mitigation Activity's implementer.
- Moreover, after careful consideration, the DNA assures that the Mitigation Activity Participant complies with Malawi's sustainable development requirements as follows:

The Mitigation Activity has demonstrated that it is aligned with Malawi's Article 6 Framework's dispositions on Sustainable Development and Malawi's applicable environmental legislation to safeguard any negative social and/or environmental-related impacts caused by the Mitigation Activity, including on air and water quality, biodiversity, and worksite safety.

The Mitigation Activity has committed to using appropriate Sustainable Development Tools to identify and monitor any delivered sustainable development impacts during its validation and verification periods.

The Mitigation Activity has and will continuously consult with local affected stakeholders regarding sustainable development as part of the validation of the Mitigation Activity and throughout its implementation and has put provisions in place to receive petitions on grievances and appeals.

As such, the DNA has reviewed that the proposed Mitigation Activity contributes to achieving Malawi's following NDC prioritized sector(s):

The Mitigation Activity contributes to Malawi's sustainable development in the following NDC sectors <i>(Checkmark option(s) or write/ explain if other)</i>	Energy (including transport)	
	Industrial Processes and Product Use (IPPU)	
	Waste	
	Agriculture	
	Other	
[Insert text if other]		
Additional long-term low emissions development strategy and/ or sectoral strategies/plans the Mitigation Activity supports	[Insert text]	
Any further conditions associated with this approval		

Pursuant to section V.C, paragraph 40 (b) of the annex to decision 3/CMA.3, Malawi's DNA issues this approval support statement for hosting the proposed Mitigation Activity under Malawi's NDC implementation period.

Furthermore, a crediting period for the issuance for A6.4ERs, that is a maximum, of 5 years, renewable a maximum of twice, or a maximum of 10 years with no option of renewal, that is appropriate to the activity, or, in respect of activities involving removals, a crediting period of a maximum of 15 years renewable a maximum of twice, that is appropriate to the activity, and that is subject to approval by the Supervisory Body, or any shorter crediting period specified by Malawi, pursuant to Section IV, paragraph 27 (b), of the annex to Decision 3/CMA.3. The crediting period shall not start before 2021.

▪ **[Add additional date(s) if a potential renewal of the crediting period is granted]**

Therefore, Malawi's DNA is pleased to provide a no objection decision for the proposed Mitigation Activity by the Mitigation Activity Participant, as an authorized entity, to proceed to the next stage of development and validation under the mechanism's Rules, Modalities and Procedures.

This approval support statement shall NOT constitute an authorization of the Mitigation Activity. An authorization MAY be provided to the Mitigation Activity Participant until Malawi's DNA receive a positive validation outcome from an accredited UNFCCC Designated Operating Entity.

Under hand and seal of the

Ministry of Natural Resources and Climate Change and its Environmental Affairs
Department

Malawi's DNA to the Article 6.4 mechanism

[Signature]

[Official Designation, Name of Signatory]

[Date]

Republic of Malawi

Template E: Mitigation Activity Design Document (MADD) [for Article 6.2 and Article 6.4]

Mitigation Activity Design Document (MADD) Any MAP shall use this template for preparing and submitting a MADD to the Environmental Affairs Department . A completed MADD and validation report shall be reviewed for possible Authorization.			
1. Overview of Mitigation Activity <i>(General information)</i>			
Transferring country	[Insert text]		
Managing entity in transferring country	Environmental Affairs Department (EAD)		
Receiving country	[Insert text]		
Name of managing entity in receiving country	[Insert text]		
Mitigation Activity name	[Insert text]		
Mitigation Activity sector <i>(Checkmark option or write/explain if other)</i>	Energy Industrial Processes and Product Use (IPPU) Other: [Insert text if applicable]	Waste Agriculture	
Mitigation rationale	[Insert text]		
Summary of Mitigation Activity <i>(Including the technology or change in practice)</i>	[Insert text]		
Geographic coverage of Mitigation Activity	[Insert text]		
Date and place	[Insert text]		
Document version	[Insert text]		
Type of Mitigation Outcome the Mitigation Activity seeks to generate <i>(Checkmark option)</i>	For NDC achievement	For Other International Mitigation Purposes (OIMPs)	
2. Project Design Assessment			
2.1 Objectives, Targets & Key Performance Indicators (KPIs)			
2.1.1 Definition of relevant objectives and targets following the SMART principle: being Specific, Measurable, and Time-based.			
[Insert description of point 2.1.1]			
2.1.2 Explain how the relevant objectives and targets are aligned with the commitment to reduce GHG emissions.			
[Insert description of point 2.1.2]			
2.1.3 Explain how the MA is directly related to Malawi's NDC, including information related to Malawi's overall target, target's level of ambition, if the sector or activity is covered within it and the specific pledged and policies applicable to the sector or activity.			
[Insert description of point 2.1.3]			

2.1.4 Present analytical evidence supporting the rationale behind target establishment, taking into account specific jurisdictional contexts and/or technological possibilities.	
[Insert description of point 2.1.4]	
2.1.5 Establish KPIs to assess both GHG and non-GHG objectives and targets of the MA, including oversight regarding the contribution to sustainable development and incorporate provisions to guarantee a just transition.	
[Insert description of point 2.1.5]	
2.2 Risk Assessment	
2.2.1 Describe potential obstacles in executing the MA, including those encountered by the MA, the project developer and other relevant participants in the absence of external assistance, as well as strategies to overcome them.	
[Insert description of point 2.2.1]	
2.2.2 Identify all potential risks pertinent to the implementation of the MA, encompassing political, legal, institutional, financial, and technical aspects.	
[Insert description of point 2.2.2]	
2.2.3 Incorporate all pertinent references to legal and regulatory compliance, ensuring alignment with the objectives and activities of the MA across all competent jurisdictional levels.	
[Insert description of point 2.2.3]	
3. Methodological approach for Mitigation Outcomes	
<i>(Discuss against which scenario the mitigation outcomes of the Activity will be credited)</i>	
3.1 Baseline for the determination of Mitigation Outcomes	
3.1.1 Autonomous development (“business as usual” – BAU): Describe the emissions scenario in the absence of the Mitigation Activity under autonomous development. Use conservative assumptions.	
[Insert description of point 3.1.1]	
3.1.2 Effect of existing and/or planned policies and measures in line with Malawi’s NDC: Complement the above considerations on autonomous development with the expected effect of existing and/or planned policies and measures for NDC implementation/achievement. Consider the timeline for policy implementation (2030) and use conservative assumptions to not underestimate their effect.	
[Insert description of point 3.1.2]	
3.1.3 Crediting baseline: Based on the above considerations, describe the emissions scenario against which the Mitigation Outcomes of the Mitigation Activity shall be credited (crediting baseline). Such description shall consider factors for incentivizing enhanced climate action in Malawi (i.e., the need for raising ambition until 2030 and for consistency with the global goal of net-zero emissions by 2050).	
[Insert description of point 3.1.3]	
3.2 Add the Mitigation Activity’s Crediting period	[Insert crediting period]

4. Avoidance of double-claiming Mitigation Outcomes <i>(Declare the potential overlaps and interactions overtime with climate finance, governmental support and/or other sources of carbon finance – i.e., the Voluntary Carbon Market)</i>
4.1 Possible overlaps with climate finance
[Insert description of point 4.1]
4.2 Possible overlaps with other carbon finance mechanisms
[Insert description of point 4.2]
4.3 Attribution of Mitigation Outcomes
[Insert description of point 4.3]
5. Sustainable Development promotion and transformational change <i>(Describe how the Mitigation Activity will promote Sustainable Development Goal -SDG- priorities in Malawi by addressing the aspects below)</i>
5.1 Consistency with Malawi's SDG priorities
[Insert description of point 5.1]
5.2 Compliance with Environmental Integrity and social requirements and standards as framed in applicable policies and this Article 6 Framework Malawi.
[Insert description of point 5.2]
5.3 Assessment of potential negative socio-economic impacts for Malawi
[Insert description of point 5.3]
5.4 Respect for Human Rights.
[Insert description of point 5.4]
5.5 Avoidance of Corruption and bad governance.
[Insert description of point 5.5]
5.6 Sustainable Development indicators
[Insert description of point 5.6]
5.7 Stakeholder engagement: identification of-and-consultations with stakeholders (i.e., what partnerships or legal means -appeals, grievance- is in place / necessary to ensure the fundamental rights of involved and affected stakeholders.
[Insert description of point 5.7]
5.8 Description of the process followed to ensure the involvement of local stakeholders in the MA's development, including a public comment period.
[Insert description of point 5.8]
5.9 Exit strategy: explain, if applicable, to what extent the Mitigation Activity is expected to transition to a self-sustaining model after the Article 6.2 engagement ceases.
[Insert description of point 5.9]

6. Determination, monitoring and reporting of mitigation outcomes <i>(Describe the detailed procedures for determining the mitigation outcomes for which MOs shall be created and describe how the mitigation outcomes will be monitored and reported)</i>
6.1 Quantification of mitigation outcomes: Describe how the mitigation outcomes are determined relative to the crediting baseline. List the parameters defined ex-ante as well as those measured.
[Insert description of point 6.1]
6.2 Methodology: Provide reference to used methodology and, if applicable, utilized deviations (i.e., CDM, Gold Standard, Verra).
[Insert description of point 6.2]
6.3 Carbon Leakage: If applicable, provide a detailed description on the avoidance of carbon leakage and the permanence of achieved mitigation outcomes
[Insert description of point 6.3]
6.4 Data acquisition: Describe, in detail, the acquisition of data used to calculate mitigation outcomes.
[Insert description of point 6.4]
6.5 MRV Plan: Provide a comprehensive explanation of the procedures and parameters in place for the MRV of emissions reductions resulting from the MA activities.
[Insert description of point 6.5]
7. Institutional arrangement of the Mitigation Activity
7.1 Activity Governance
7.1.1 Describe the governance structure of the Mitigation Activity including roles and responsibilities, management structures and operational processes.
[Insert description of point 7.1.1]
7.1.2 Designate the entity that will become the Mitigation Activity's supervisor and form a counterparty in the Mitigation Outcome Purchase Agreement (MOPA).
[Insert description of point 7.1.2]
7.1.3 Provide a comprehensive overview of the previous experience of the project developer in the management and/or implementation of internationally financed programs.
[Insert description of point 7.1.3]
7.1.4 Provide a comprehensive overview of the project developer's technical capability, including documented experience in this type or similar types of projects.
[Insert description of point 7.1.4]
7.1.5 State names, roles and designated representatives of all relevant stakeholders and measurements and reporting (MR) supporting agencies, if any, for conducting the GHG estimate.
[Insert description of point 7.1.5]

7.1.6 State names and roles of key participants and their designated representatives concerning the revision of this MADD (amongst others).
[Insert description of point 7.1.6]
7.1.7 Describe the benefit-sharing mechanism with which Malawi levies a share of proceeds (SoP) to compensate implementation/management costs and create a separate fund to allocate revenues from such SoP. Discuss the level of SoP needed and the impact on the business model and pricing.
[Insert description of point 7.1.7]
7.2 Interaction with Transferring Country
7.2.1 Describe the coordination structure and interaction between the Mitigation Activity and competent authorities of Malawi.
[Insert description of point 7.2.1]
7.2.2 Propose what national Article 6 coordinating structures (i.e., inter-ministerial, cross-sectoral) can be established or utilized to ensure proper interaction between Malawi and the Mitigation Activity.
[Insert description of point 7.2.2]
7.2.3 Describe the organizational set-up which governs the Mitigation Activity and anchors the program within Malawi's governmental structure. Please detail the relationship between the implementation agreement and the governing bodies (i.e., the Environmental Affairs Department, the National Steering Committee on Climate Change (NSCCC) and the Malawi Carbon Markets Initiative (MCMI), etc.)
[Insert description of point 7.2.3]
8. Financing model for implementing the proposed Mitigation Activity
8.1 Summary financing model
[Insert Summary]
8.2 Provide, as an attachment to this MADD, the detailed financial model
9. Implementation schedule for the proposed Mitigation Activity
9.1 Provide, as an attachment to this MADD, a detailed GANTT chart of the Mitigation Activity's schedule
10. Status of interactions with Malawi's Environmental Affairs Department, acquiring participating Party(ies), etc.
10.1 Status of interactions with Malawi's Environmental Affairs Department
[Insert text]
10.2 Status of interactions with [Acquiring Participating Party]
[Insert text]
10.3 If applicable, status of interactions with other relevant stakeholders involved in the Mitigation Activity
[Insert text]

Template F: Request for Letter of Authorization and Mitigation Activity registration [for Article 6.2]

[Ref. Number]

[Date]

Subject:

Request for Article 6.2 Letter of Authorization (A6.2LOA) and Registration of **[Name of Mitigation Activity]**

Esteemed Environmental Affairs Department,

[Mitigation Activity Participant Name] with MAP-ID **[Insert MAP-ID number]**, aims to develop **[Name of Mitigation Activity]** covering **[type of technology/measure]** in **[location]**, Malawi.

The MOs from the proposed Mitigation Activity are intended for use towards:

[NDC achievement for (name of acquiring Party)] and/or **[Other International Mitigation Purpose]**

Through this request, **[Mitigation Activity Participant Name]** kindly solicits the Government of Malawi, to issue an Article 6.2 Letter of Authorization for the **[Name of Mitigation Activity]**, which authorizes the further development and implementation of the intended Mitigation Activity. Attached to this request, is our positively validated Mitigation Activity Design Document (MADD) by an eligible VVB, in accordance with Malawi's the Article 6 Framework's provisions. This positively validated MADD demonstrates that the intended Mitigation Activity fully complies with Malawi's eligibility criteria and other established obligations within Malawi's Article 6 Framework.

Therefore, **[Mitigation Activity Participant Name]** kindly requests the allocation of a Mitigation Activity Identification number (MA-ID) and registration of the aforementioned Mitigation Activity in Malawi's Carbon Registry System (MCRS) on the respective account of **[Mitigation Activity Participant Name]**.

Per Malawi's Article 6 Framework's dispositions, should the Government of Malawi provide an authorization, it shall authorize and commit to the transfer of MOs generated by the Mitigation Activity during its crediting period and accordingly undertake the applicable corresponding adjustments in line with modalities specified by UNFCCC.

Please do not hesitate to request any further information you may require. We are looking forward to receiving your assistance in further developing the Mitigation Activity.

Thank you in advance.

Yours faithfully,

[Mitigation Activity Participant Name and focal point's contact information and signature]

Annex I [Positive Validation report and Mitigation Activity Design Document (MADD)]

Template G: Request for Letter of Authorization for a VCM Mitigation Activity [VCM Mitigation Activities requiring a corresponding adjustment]

[Ref. Number]

[Date]

Subject:

Request for Article 6.2 Letter of Authorization (A6.2LOA) of **[Name of Mitigation Activity]**

Esteemed Environmental Affairs Department,

[Mitigation Activity Participant Name] with MAP-ID **[Insert MAP-ID number]**, aims to develop **[Name of Mitigation Activity]** covering **[type of technology/measure]** in **[location]**, Malawi. The intended Mitigation Activity will be developed under the International Carbon Standard **[Insert eligible ICS's name]** who will provide an Article 6 attribute to generated VERs and shall be duly registered in its registry system, upon issuance of Malawi's Letter of Authorization.

The authorized VERs from the proposed Mitigation Activity are intended for use towards:

[NDC achievement for (name of acquiring Party)] and/or **[Other International Mitigation Purpose]**

Through this request, **[Mitigation Activity Participant Name]** kindly solicits the Government of Malawi, to issue an Article 6.2 Letter of Authorization for the **[Name of Mitigation Activity]** thus authorizing the further development and implementation of the intended Mitigation Activity. Attached to this request, is our positively validated Mitigation Activity Design Document (MADD) by an eligible VVB, in accordance with Malawi's Article 6 Framework's provisions and the ICS's requirements. This positively validated MADD demonstrates that the intended Mitigation Activity fully complies with Malawi's eligibility criteria and other established obligations within Malawi's Article 6 Framework and the ICS's.

Should the Government of Malawi provide an authorization, it shall authorize and commit to the transfer of MOs generated by the Mitigation Activity during its crediting period and accordingly undertake the applicable corresponding adjustments in line with modalities specified by UNFCCC. Furthermore, the involved ICS shall commit to duly notify the Government of Malawi of any issuances and transfers from the authorized Mitigation Activity, effected towards the mentioned Article 6 use purposes.

Please do not hesitate to request any further information you may require. We are looking forward to receiving your assistance in further developing the Mitigation Activity.

Thank you in advance.

Yours faithfully,

[Mitigation Activity Participant Name and focal point's contact information and signature]

Template H: Article 6.2 Letter of Authorization

[Ref. Number]

[Date]

Subject:

Article 6.2 Letter of Authorization (A6.2LOA) for [Name of Mitigation Activity]

Mandate for Authorization

- The Government of Malawi has mandated the **Ministry of Natural Resources and Climate Change**, through its **Environmental Affairs Department**, to oversee Malawi's participation in Article 6.2 cooperative approaches under the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC) CMA Decision 2/CMA.3 and any further decisions established by the CMA.
- The **Ministry of Natural Resources and Climate Change** is also the designated competent authority for implementing the Cooperation Agreement under the Paris Agreement, between Malawi and [Name of Participating Party] (hereinafter referred to as the "Cooperation Agreement with [Name of Participating Party]").

Pre-conditions for Authorization

[Mitigation Activity Participant Name] (hereinafter referred to as "Mitigation Activity Participant"), is recognized as the authorized Mitigation Activity Participant for the implementation of [Name of Mitigation Activity] (hereinafter referred to as "Mitigation Activity") under the Cooperation Agreement with [Name of Participating Party], having demonstrated the following pre-conditions for authorization.

- Satisfied all the established conditions for authorizing Mitigation Outcomes for international transfers and their subsequent use cases as set out in Malawi's Article 6 Framework such as:
 - a. Alignment with Malawi's eligible NDC sectors and activities for development under Article 6.2 and/or the Mitigation Activity's pertinence to Malawi's National GHG Inventory.
 - b. Compliance with Malawi's prioritized NDC sectors and sustainable development priorities established in Malawi's Article 6 Framework and any other applicable national environmental laws, codes, decrees, etc.
 - c. Issuance of a letter of no objection by the **Environmental Affairs Department**.
 - d. Demonstration of a positive validation report by a recognized VVB, following the submission of a Mitigation Activity Design Document (MADD).
 - e. The Mitigation Activity Participant has been issued a MAP-ID in Malawi's Carbon Registry System (MCRS).

Implications of Authorization

It is through this letter that Malawi's **Environmental Affairs Department** confirms the following:

- Malawi has ratified the Paris Agreement on 29th June 2017²⁰ and maintains its latest NDC on the interim NDC registry in accordance with Article 4, paragraph 12 of the Paris Agreement²¹; thus, confirming its eligibility to voluntarily participate under Article 6.2 cooperative approaches.
- Malawi commits to applying corresponding adjustments Malawi's NDC implementation period, for the authorized MOs arising from the Mitigation Activity. The latter, pursuant to the obligations established in section III.A-D, paragraphs 6-17 of the annex to decision 2/CMA.3 and relevant future decisions established by the CMA.
- The proposed Mitigation Activity does not constitute a risk of preventing Malawi from achieving its unconditional NDC targets, achievable through domestic means of implementation.

²⁰ The Republic of Malawi's UNFCCC Paris Agreement ratification status: <https://unfccc.int/node/61106>

²¹ UNFCCC's NDC registry: <https://unfccc.int/NDCREG>

Moreover, this letter constitutes the **Environmental Affairs Department's** authorization to the proposed Mitigation Activity presented by the Mitigation Activity Participant, with the following conditions:

- Mitigation Outcomes generated by the Mitigation Activity shall represent mitigation under Malawi's NDC implementation period;
- Mitigation Outcomes, generated from the authorized Mitigation Activity under the aforementioned period, shall NOT be used nor claimed by Malawi to demonstrate the achievement of its own NDC;
- Mitigation Outcomes generated from the implementation of the authorized Mitigation Activity shall be recognized, registered and tracked into Malawi's Carbon Registry System (MCRS) and their generation, international transfer and use, shall be consistent with Decision2/CMA.3 and any future relevant decisions established by the CMA; and
- This Letter of Authorization **DOES NOT** imply or provide a commitment from the Government of Malawi to support and/or fund the authorized Mitigation Activity in the event that, any legal or environmental requirements for the construction and operation of the Mitigation Activity from the involved Parties, are not fulfilled and therefore, the Mitigation Activity is unable to proceed.

Thus, Malawi is pleased to provide the following Authorization Statement to the authorized Mitigation Activity Participant and its proposed Mitigation Activity.

Authorization Statement

Malawi's **Environmental Affairs Department** grants formal authorization to the Mitigation Outcomes resulting from the Mitigation Activity's implementation, based on the information outlined in the Mitigation Activity Design Document (MADD) and the issuance of the positive validation report by **[Name of VVB]** (in Annex I) as an internationally recognized Validation/Verification Body, as follows:

Particulars	Information	
Name of Mitigation Activity	[Insert text]	
Assigned MA-ID in the carbon registry	[Insert text]	
Name of the authorized Mitigation Activity Participant	[Insert text]	
Assigned MAP-ID in the carbon registry	[Insert text]	
Host Party	Malawi	
Receiving Party(ies)	[Insert text]	
Total cumulative maximum amount of Mitigation Outcomes in tCO ₂ eq	[Insert text]	
NDC period during which the MOs are authorized for use	01 January 2021 – 31 December 2030	
Crediting period	[DD/MM/YYYY – DD/MM/YYYY]	
Applied standards or baseline methodology	As specified in the MADD	
Requirements for MRV reports	As specified in the MADD	
Authorization purposes <i>(Checkmark applicable option)</i>	Use towards NDC commitments	
	Use towards other international mitigation purposes (OIMPs)	
	Use towards NDC commitments and OIMPs	
Applicable issuance fee		

CARBON MARKET FRAMEWORK

Particulars	Information
Applicable Buffer Fee (MOs retention)	
Any further conditions associated with this authorization	[Insert text]

Unforeseen Circumstances

The letter shall be applicable until the timing of the authorization elapses, unless under unforeseeable circumstances that may prevent Malawi, the Mitigation Activity Participant, or the receiving Party from fulfilling this letter's terms and conditions. In such a situation that Malawi, the Mitigation Activity Participant and the receiving Party will agree on an alternative resolution arrangement.

Possibility of Increasing Ambition

For the purpose of achieving higher mitigation ambition over the Mitigation Activity's crediting period, this letter may be modified through an addendum to the original letter, allowing for an upward scale of the Mitigation Activity. When the end date for the modification falls outside 2030, Malawi shall count and adjust such MOs against the first NDC target and shall NOT carry over to the second NDC commitment period.

Under hand and seal of the

Ministry of Natural Resources and Climate Change and the Environmental Affairs Department

[Signature]

[Official Designation, Name of Signatory]

[Date]

Republic of Malawi

Annex I

[Positive Validation report and Mitigation Activity Design Document (MADD)]

Annex II

[Letter of No Objection (not applicable for VCM Mitigation Activities requiring a corresponding adjustment)]

Template I: Article 6.4 Letter of Authorization

[Ref. Number]

[Date]

Subject:

Article 6.4 Letter of Authorization (Article 6.4LOA) for [Name of Mitigation Activity]

Mandate for Authorization

- The **Ministry of Natural Resources and Climate Change** and its **Environmental Affairs Department** have been assigned as Malawi's Designated National Authority (DNA) to the UNFCCC and the Article 6.4 mechanism, (hereinafter referred to as "DNA").
- The Government of Malawi has mandated the DNA to oversee its participation in the Article 6.4 mechanism under the Paris Agreement and the relevant decisions adopted by the United Nations Framework Convention on Climate Change (UNFCCC), particularly Decision 3/CMA.3, and any further rules, modalities and procedures enacted by the CMA.

Pre-conditions for Authorization

As per the approval support statement (Annex II) issued on [insert date of approval support statement's issuance], [Mitigation Activity Participant Name] (hereinafter referred to as "*Mitigation Activity Participant*"), has been recognized as an authorized entity for the implementation of [Name of Mitigation Activity] (hereinafter referred to as "*Mitigation Activity*") and has demonstrated the following pre-conditions for authorization:

- Alignment with Malawi's eligible NDC sectors and activities for development under Article 6.4.
- Compliance with Malawi's prioritized NDC sectors and sustainable development priorities established in Malawi's Article 6 Framework and any other applicable national environmental laws, codes, decrees, etc.
- Issuance of an approval support statement by Malawi's DNA to the Article 6.4 mechanism.
- Demonstration of a positive validation report, following the submission of a Mitigation Activity Design Document, by a UNFCCC accredited Designated Operating Entity (DOE).

Implications of Authorization

It is through this letter that Malawi's DNA confirms the following:

- Malawi ratified the Paris Agreement on 29th June 2017 ²² and maintains its latest NDC on the interim NDC registry in accordance with Article 4, paragraph 12 of the Paris Agreement ²³; thus, confirming its eligibility to participate under the Article 6.4 mechanism in a voluntary manner.
- Malawi commits to applying corresponding adjustments over Malawi's NDC implementation period, for the authorized A6.4ERs arising from the implementation of the Mitigation Activity, pursuant to the obligations established in section V.C, paragraph 44, of the annex to decision 3/CMA.3 and relevant future decisions of the CMA.
- The proposed Mitigation Activity does not constitute a risk of preventing Malawi from achieving its unconditional NDC targets, achievable through domestic means of implementation.
- Moreover, this letter constitutes the DNA's authorization to the proposed Mitigation Activity presented by the Mitigation Activity Participant as the authorized entity for its implementation, with the following conditions:
- Authorized A6.4ERs generated from the Mitigation Activity shall not be used and/or claimed by Malawi to demonstrate the achievement of its own NDC.
- Authorized A6.4ERs shall be duly registered and tracked in consistency with Article 6.4 rules, modalities and procedures enacted by the UNFCCC's Supervisory Body, pursuant to the annex of decision 3/CMA.3 and any further guidance and relevant decisions established by the CMA.
- Pursuant to sections VII – VIII, of the annex to decision 3/CMA.3, the Mitigation Activity

²² The Republic of Malawi's UNFCCC Paris Agreement ratification status: <https://unfccc.int/node/61106>

²³ UNFCCC's NDC registry: <https://unfccc.int/NDCREG>

Participant shall comply with the levy of share of proceeds for adaptation and administrative expenses; and, delivering overall mitigation in global emissions obligations, established by the UNFCCC's Supervisory Body.

- This Letter of Authorization **DOES NOT** imply or provide a commitment from the Government of Malawi to support and/or fund the authorized Mitigation Activity in the event that, any legal or environmental requirements for the Mitigation Activity's implementation is not fulfilled and the Mitigation Activity, therefore, is unable to proceed.

As such, Malawi is pleased to provide the following Authorization Statement to the authorized Mitigation Activity Participant and its proposed Mitigation Activity.

Authorization Statement

Malawi's DNA grants formal authorization to the Article 6.4 Emissions Reductions (A6.4ERs) resulting from implementing the authorized Mitigation Activity, based on the information outlined in the positive outcome of the validation report performed by **[Insert Name of DOE]** (in Annex I), pursuant to section V.D, paragraph 46, of the annex to Decision 3/CMA.3.

As such, this Letter of Authorization guarantees Malawi's recognition of authorized A6.4ERs arising from the Mitigation Activity's implementation as follows:

Particulars	Information
Name of Mitigation Activity	[Insert text]
Name of the authorized Mitigation Activity Participant	[Insert text]
Host Party	Malawi
Total cumulative maximum amount of A6.4ERs in tCO₂eq	[Insert text]
NDC period during which the A6.4ERs are authorized for use	[Insert date]
Crediting period	[DD/MM/YYYY – DD/MM/YYYY]
Dates of the crediting's period potential renewal <i>(If applicable)</i>	[Insert DD/MM/YYYY – DD/MM/YYYY, if applicable]
Conditions for crediting period renewal and / or approval	Pursuant to Section V.A, paragraph 31 (f), of the annex to Decision 3/CMA.3, an Article 6.4 Letter of Authorization (A6.4LOA) shall be granted as follows: a crediting period for the issuance for A6.4ERs, that is a maximum, of 5 years, renewable a maximum of twice, or a maximum of 10 years with no option of renewal, that is appropriate to the activity, or, in respect of activities involving removals, a crediting period of a maximum of 15 years renewable a maximum of twice, that is appropriate to the activity, and that is subject to approval by the Supervisory Body, or any shorter crediting period specified by Malawi, pursuant to Section IV, paragraph 27 (b), of the annex to Decision 3/CMA.3. The crediting period shall not start before 2021.
Applied standards or baseline methodology	[as specified in the validation report and the MADD]
Requirements for MRV reports	[as specified in the validation report and the MADD]
Authorization purposes (Checkmark applicable option)	Use towards NDC commitments
	Use towards other international mitigation purposes (OIMPs)
	Use towards NDC commitments and OIMPs
Any further conditions associated with this authorization	[Insert text]

Unforeseen Circumstances

CARBON MARKET FRAMEWORK

The letter shall be applicable until the timing of the authorization elapses, unless under unforeseeable circumstances that may prevent Malawi and/or the Mitigation Activity Participant from fulfilling this letter's terms and conditions. In such a situation Malawi, the Mitigation Activity Participant and the UNFCCC Supervisory Body, will agree on an alternative resolution arrangement.

Under hand and seal of the
Ministry of Natural Resources and Climate Change and its Environmental Affairs Department
Malawi's DNA to the Article 6.4 mechanism

[Signature]

[Official Designation, Name of Signatory]

[Date]

Republic of Malawi

Annex I

[Positive validation assessment from the accredited UNFCCC DOE]

Annex II

[Approval Support Statement]

Template J: Article 6.2 initial report (AIR)

[Country's flag and Coat of Arms]

Report prepared by the **Ministry of Natural Resources and Climate Change** through the **Environmental Affairs Department** - Government of Malawi, prior to Authorization to the United Nations Framework Convention on Climate Change (UNFCCC).

Article 6, paragraph 2, initial report by Malawi

Malawi's Environmental Affairs Department is pleased to submit its initial report consistent with paragraph 18 of the annex of Decision 2/CMA.3, annex, chapter IV.A

Parameters	Response	
1. General Information		
(a) Party	Malawi	
(b) NDC period	1 January 2020 – 31 December 2040	
(c) Report type	Initial Report	X
	Updated Initial Report	
(d) Version	1.0	
(e) Date	[1/MM/YYYY]	
(f) Names of cooperative approaches included in this report	[Name of Mitigation Activity]	

Parameters	Response
2. Participation responsibilities [Decision 2/CMA.3, Annex, paragraph 18 (a)]	
(a) Information on how the Party ensures that it is a Party to the Paris Agreement. [paragraph 18(a), para. 4(a), update to para. 21(a)]	[Insert text]
(b) Information on how the Party ensures that it has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2. [paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]	[Insert text]
(c) Information on how the Party ensures it has arrangements in place for authorizing the use of MOs towards the achievement of NDCs pursuant to Article 6, paragraph 3. [paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]	[Insert text]
(d) Information on how the Party ensures it has arrangements in place that are consistent with Article 6, paragraph 2, guidance and relevant decisions of the CMA for tracking MOs. [paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]	[Insert text]

Parameters	Response
(e) Information on whether the most recent national inventory report required in accordance with decision 18/CMA.1 has been provided. [paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]	[Insert text]
(f) Information on how the Party ensures participation contributes to the implementation of its NDC and long-term low-emission development strategy if it has submitted one, and the long-term goals of the Paris Agreement. [paragraph 18(a), paragraph 4(b), update to paragraph 21(a)]	[Insert text]

Parameters	Response
3. Description of the Party's Nationally Determined Contribution, as referred to in Decision 18/CMA.1, Annex, paragraph 64, where a participating Party has not yet submitted a biennial transparency report [Decision 2/CMA.3, Annex, paragraph 18(b), to be updated by para. 21(b)]	
(a) Target(s) and description, including target type(s) [Decision 18/CMA.1, annex, paragraph 64(a)]	[Insert text]
(b) Target year(s) or period(s), and whether they are single-year or multi- year target(s) [Decision 18/CMA.1, annex, paragraph 64(b)]	[Insert text]
(c) Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) [Decision 18/CMA.1, annex, paragraph 64(c)]	[Insert text]
(d) Timeframe(s) and/or periods for implementation [Decision 18/CMA.1, annex, paragraph 64(d)]	[Insert text]
(e) Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, pools and gases. [Decision 18/CMA.1, annex, paragraph 64(e)]	[Insert text]
(f) Intention to use cooperative approaches that involve the use of internationally transferred mitigation outcomes under Article 6 towards NDCs under Article 4 of the Paris Agreement [Decision 18/CMA.1, annex, paragraph 64(f)]	[Insert text]
(g) Any updates or clarifications of previously reported information (e.g., recalculation of previously reported inventory data or greater detail on methodologies or use of cooperative approaches) [Decision 18/CMA.1, annex, paragraph 64(g)]	[Insert text]

Parameters	Response
4. Information on MO metrics and the method for applying corresponding adjustments [Decision 2/CMA.3, Annex, paragraph 18 (c -f)]	
(a) MO metrics [paragraph 18(c)]	[Insert text]
(b) Method for applying corresponding adjustments as per chapter III.B (application of corresponding adjustments) [paragraph 18(c)]	
i. Description of the method for applying the corresponding adjustment for multi- or single-year NDCs that will be applied consistently throughout the period of NDC implementation, if applicable [paragraph 18(c)]	[Insert text]
ii. Description of the method for applying corresponding adjustments where the method is a multi-year emissions trajectory, trajectories, or budget, if applicable. [paragraph 18(c)]	[Insert text]
(c) Sectors, sources, GHGs and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC or, where this is not possible, the methodology for the quantification of the NDC in tCO₂eq [paragraph 18(d)]	[Insert text]
(d) Quantification of the Party's NDC, or the portion in the relevant non-GHG indicator, in a non-GHG metric determined by each participating Party, if applicable [paragraph 18(e)]	[Insert text]
(e) For a first or first updated NDC consisting of policies and measures that are not quantified, information on the quantification of the Party's emission level resulting from the policies and measures that are relevant to the implementation of the cooperative approach and its mitigation activities for the categories of anthropogenic emissions by sources and removals by sinks, as identified by the first transferring Party pursuant to paragraph 10, and the time periods covered by the NDC [paragraph 18(f)]	[Insert text]

CARBON MARKET FRAMEWORK

Parameters	Response	
5. Information on each cooperative approach [Decision 2/CMA.3, paragraph 18(g-i), paragraph 19]		
Cooperative Approach: [Insert text]		
(a) Copy of the authorization by the participating Party [paragraph 18(g)]	[Insert link to the authorization statement]	
(b) Description of the cooperative approach [paragraph 18(g)]	[Insert text]	
(c) Duration of the cooperative approach [paragraph 18(g)]	[Insert date]	
(d) Expected mitigation for each year of the duration of the cooperative approach [paragraph 18(g)]	Expected GHG mitigation from the cooperative approach:	
	Year	Net GHG emission reductions (tCO₂e)
	2022	[Insert expected mitigation in tCO ₂ e]
	2023	[Insert expected mitigation in tCO ₂ e]
	2024	[Insert expected mitigation in tCO ₂ e]
	2025	[Insert expected mitigation in tCO ₂ e]
	2026	[Insert expected mitigation in tCO ₂ e]
	2027	[Insert expected mitigation in tCO ₂ e]
	2028	[Insert expected mitigation in tCO ₂ e]
	2029	[Insert expected mitigation in tCO ₂ e]
	2030	[Insert expected mitigation in tCO ₂ e]
TOTAL	[Insert total expected mitigation in tCO ₂ e]	
(e) Participating Parties involved in the cooperative approach [paragraph 18(g)]	[Insert text]	
(f) Authorized entities [paragraph 18(g)]	[Insert text]	
(g) Description of how the cooperative approach ensures environmental integrity [paragraph 18(h), to be updated by paragraph 22(b)]		
i. Description of how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods [paragraph 18(h)(i), to be updated by paragraph 22(b)(i)]	[Insert text]	

Parameters	Response
ii. Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels and baselines set in a conservative way and below 'business as usual emission projections (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage) [paragraph 18 (h)(ii), to be updated by paragraph 22(b)(ii)]	[Insert text]
iii. Description of how the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods and how, when reversals of emission reductions or removals occur, the cooperative approach will ensure that these are addressed in full [paragraph 18(h)(iii), to be updated by paragraph 22(b)(iii)]	[Insert text]
(h) Additional description of the cooperative approach [paragraph 18(i)]	
i. Description of how the cooperative approach minimizes and, where possible, avoids negative environmental, economic, and social impacts [paragraph 18(i)(i), to be updated by paragraph 22(f)]	[Insert text]
ii. Description of how the cooperative approach reflects the eleventh preambular paragraph of the Paris Agreement, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations to human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity [paragraph 18(i)(ii), to be updated by paragraph 22(g)]	[Insert text]
iii. Description of how the cooperative approach is consistent with the sustainable development objectives of the Party, noting national prerogatives [paragraph 18(i)(iii), to be updated by paragraph 22(h)]	[Insert text]

Parameters	Response
iv. Description of how the cooperative approach applies any safeguards and limits set out in further guidance from the CMA pursuant to chapter III.D [paragraph 18(i)(iv), to be updated by paragraph 22(i)]	[Insert text]
v. Description of how the cooperative approach contributes resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable [paragraph 18(i)(v), to be updated by paragraph 22(j)]	[Insert text]
vi. Description of how the cooperative approach delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable [paragraph 18(i)(vi), to be updated by paragraph 22(k)]	[Insert text]

Template K: Monitoring Report [for Article 6.2 and Article 6.4]

Mitigation Activity Monitoring Report Any MAP shall regularly complete this Monitoring Report to record information about the outcomes achieved during the implementation of the Mitigation Activity, in accordance with the monitoring methodology established in the MADD. The Monitoring Report shall be submitted for review of the Environmental Affairs Department before verification.		
Title of the project activity	[Insert text]	
Assigned MA-ID by the Environmental Affairs Department	[Insert text]	
Version number of the MADD that is applicable to this monitoring report	[Insert text]	
Version number of this monitoring report	[Insert text]	
Completion date of this monitoring report	[Insert text]	
Monitoring period number	[Insert text]	
Duration of this monitoring period	[Insert text]	
Monitoring report number for this monitoring period	[Insert text]	
Mitigation Activity Participants	[Insert text]	
Transferring participating Party	[Insert text]	
Acquiring participating Party	[Insert text]	
Applied methodologies and standardized baselines	[Insert text]	
Sectoral scope	[Insert text]	
Amount of GHG emission reductions or net anthropogenic GHG removals achieved by the project activity in this monitoring period (tCO₂eq)	Amount achieved before Period 1: [Insert amount]	
	Amount achieved from period 1 to date to period 2: [Insert amount]	
	Amount achieved after Period 2: [Insert amount]	
Amount of GHG emission reductions or net anthropogenic GHG removals estimated ex-ante for this monitoring period in the MADD	[Insert amount]	
SECTION A: DESCRIPTION OF MITIGATION ACTIVITY		
1A. General description of Mitigation Activity		
[Insert description]		
2A. Location of Mitigation Activity		
[Insert location including coordinates of the Mitigation Activity]		

3A. Parties and Mitigation Activity Participant(s)				
3.1A: Involved Parties	[Party A] (transferring Party)			
	[Party B] (acquiring participating Party)			
	[Entity C] (Managing/Coordinating/Implementing Entity)			
3.2A: Mitigation Activity Participants	[Party A] (transferring Party)			
	[Private Entity A]	[Public Entity A]		
	[Party B] (acquiring participating Party)			
	[Private Entity B]	[Public Entity B]		
	[Entity C] (Managing/Coordinating/Implementing Entity)			
	[Private Entity C]	[Public Entity C]		
3.3A: Indicate if the Party involved wishes to be considered as a Mitigation Activity Participant <i>(Tick applying option)</i>	[Party A] (transferring Party)			
	[Private Entity A]	Yes		No
	[Public Entity A]	Yes		No
	[Party B] (acquiring participating Party)			
	[Private Entity B]	Yes		No
	[Public Entity B]	Yes		No
	[Entity C] (Managing/Coordinating/Implementing Entity)			
	[Private Entity C]	Yes		No
	[Public Entity C]	Yes		No
4A. References to applied methodologies and standardized baselines				
[Insert references]				
5A. Crediting period type and duration				
[Insert period and duration]				
SECTION B: MITIGATION ACTIVITY IMPLEMENTATION				
1B. Description of implemented Mitigation Activity				
[Insert description]				
2B. Post-registration changes				
[Insert changes]				
2.1B: Temporary deviations from the registered monitoring plan, applied methodologies, standardized baselines or other methodological regulatory documents	[Insert text]			
2.2B: Corrections	[Insert text]			
2.3B: Changes to the start date of the crediting period	[Insert text]			
2.4B: Inclusion of monitoring plan	[Insert text]			

2.5B: Permanent changes to the registered monitoring plan or permanent deviation of monitoring from the applied methodologies, standardized baselines, or other methodological regulatory documents.	[Insert text]
2.6B Changes to project design	[Insert text]
SECTION C: MONITORING SYSTEM	
1C. Description of the Monitoring System	
[Insert description]	

SECTION D: DATA AND PARAMETERS (COPY THIS TABLE FOR EACH DATA OR PARAMETER)	
1D. Data or parameter fixed ex-ante	
1.1D Data/parameter	[Insert text]
1.2D Unit	[Insert text]
1.3D Description	[Insert text]
1.4D Source of data	[Insert text]
1.5D Value(s) applied	[Insert text]
1.6D Choice of data or measurement methods and procedures	[Insert text]
1.7D Purpose of data/parameter	[Insert text]
1.8D Additional comments	[Insert text]
2D. Monitored data or parameter	
2.1D Data/parameter	[Insert text]
2.2D Unit	[Insert text]
2.3D Description	[Insert text]
2.4D Measured/calculated/default	[Insert text]
2.5D Source of data	[Insert text]
2.6D Value(s) of the monitored parameter	[Insert text]

CARBON MARKET FRAMEWORK

2.7D Monitoring equipment	[Insert text]
2.8D Measuring/reading/recording frequency	[Insert text]
2.9D Calculation method (if applicable)	[Insert text]
2.10D QA/QC procedures	[Insert text]
2.11D Purpose of data/parameter	[Insert text]
2.12D Additional comments	[Insert text]
3D. Implementation or sampling plan	
[Insert text]	

SECTION E: CALCULATION OF EMISSION REDUCTIONS OR NET ANTHROPOGENIC REMOVALS					
1E. Calculation of baseline emissions or baseline net removals					
[Insert calculation 1E]					
2E. Calculation of project emissions or actual net removals					
[Insert calculation 2E]					
3E. Calculation of leakage emissions					
[Insert calculation 3E]					
4E. Calculation of emission reductions or net anthropogenic removals					
Activity GHG Emissions or actual net GHG Removals (tCO ₂ eq)	Activity GHG Emissions or actual net GHG Removals (tCO ₂ eq)	Leakage GHG emissions (tCO ₂ eq) Before period 1	GHG emission reductions or net anthropogenic GHG removals (tCO ₂ eq)		
			From period 1 to period 2	After period 2	
[Amount]	[Amount]	[Amount]	[Amount]	[Amount]	[Amount]
Total	[Amount]	[Amount]	TOTAL AMOUNT [xx] tCO ₂ eq		
5E. Comparison of emission reductions or net anthropogenic removals achieved with estimates in the registered MADD					
5.1E Amount achieved during this monitoring period	[Insert amount] tCO ₂ eq				
5.2E Amount estimated ex-ante for this monitoring period in the MADD	[Insert amount] tCO ₂ eq				
6E. Explanation of calculation of “amount estimated ex-ante for this monitoring period in the MADD					
[Insert explanation]					
7E. Remarks on the increase in achieved emission reductions					
[Insert remarks]					
8E. Remarks on the scale of small-scale project activity					
[Insert remarks]					

Template L: Request for verification report's examination by the EAD [for Article 6.2]

Request for verification report's examination by the EAD			
Disclaimer:			
By submitting this signed form and its supporting documentation, the [Mitigation Activity Participant Name] confirms that its assigned Independent Entity for Validation [Name of VVB or DOE] , responsible for validating the proposed [Name of Mitigation Activity] , has no financial interest related to the project activity and that undertaking such validation does not constitute a conflict-of-interest incompatible with the role of an Independent Assessment Entity.			
1. Background Information on Request			
Name of Mitigation Activity Participant	[Insert text]		
MAP-ID	[Insert text]		
Name of Mitigation Activity	[Insert text]		
MA-ID	[Insert text]		
Name of mandated VVB	[Insert text]		
VVB-ID	[Insert text]		
Name(s) of participating Party	[Insert text]		
Name(s) of other participating entities	[Insert text]		
Title of proposed mitigation activity	[Insert text]		
Scale of the Mitigation Activity	[Insert text]		
Sectoral scope in which the proposed project activity falls	[Insert text]		
We confirm that this proposed project Mitigation Activity meets all relevant validation requirements	Date: (DD/MM/YY)		
	Name of Representative from participating VVB [Insert text]		
	Signature: [Insert signature]		
2. Attachments			
List of documents attached to this Form (Tick boxes)	Validation report and associated validated MADD		X
	Verification report and associated monitoring report		X
	Letter of authorization		X
	Evidence of communication with the acquiring participating Party		X
Comments received in the verification process by the VVB is attached	Yes		No

Template M: Environmental Affairs Department Positive Examination Notification

[Ref. Number]

[Date]

Subject:

Positive Examination Result of **[Name of Mitigation Activity]** by Malawi

The Government of Malawi confirms on the verification report, the following:

- **[Name of Independent VVB]** is internationally accredited by the requirements of the **[Applicable ICS]** and recognized by Malawi to undertake the verification of mitigation activities and has duly followed the guidance and procedures in Malawi's Article 6 Framework.
- **[Name of Independent VVB]**, appointed for the verification process, engaged a local expert in Malawi to participate in the verification exercise.
- The **[Name of Mitigation Activity]** is aligned with Malawi's strategy to implement its NDC and contributes to meeting the target/goals of the Government of Malawi's NDC.
- The **[Name of Mitigation Activity]**, through the verification report, complies with the Environmental Integrity, Sustainable Development and Safeguard requirement outlined in Malawi's Article 6 Framework, and the Mitigation Outcomes (MOs) generated have been verified.
- The **[Name of Mitigation Activity]** contributes to and complies with sustainable development in Malawi as outlined in Malawi's Article 6 Framework
- The monitoring reports have been successfully completed as per the authorized monitoring plan.
- The mitigation outcomes are consistent with the conditions of the authorization.
- The appropriate payment of the necessary fees, as determined by Malawi, has been made with the submitted payment receipts.

By this letter, the Government of Malawi reserves NO objection and **pre-approves the issuance of MOs** upon the Mitigation Activity Participant's payment of the applicable issuance fee and issuance request. Upon such payment, the EAD shall issue ITMOs and approve their conversion to Internationally Transferred Mitigation Outcomes (ITMOs) upon transfer request for the associated **[Name of Mitigation Activity]** to **[Name of Participating Party]**.

Under hand and seal of the
Ministry of Natural Resources and Climate Change and its
Environmental Affairs Department

[Signature]

[Official Designation, Name of Signatory]

[Date]

Republic of Malawi

Template N: MOs issuance request form [for Article 6.2]

Mitigation Outcome Issuance Request form Disclaimer: By submitting this signed form and its supporting documentation, the [Mitigation Activity Participant Name] confirms that its assigned Independent Verification/Validation Body (VVB) [Name of VVB] is undertaking verification and validation of certified MOs for the registered [Name of Mitigation Activity] . The VVB has no financial interest related to the Mitigation Activity, and that undertaking such verification does not constitute a conflict of interest that is incompatible with the role of a VVB.			
1. Background Information on Request			
Name of Mitigation Activity Participant	[Insert text]		
MAP-ID	[Insert text]		
Name(s) of Cooperating or Paris Agreement Party	[Insert text]		
Name(s) of other participating entities	[Insert text]		
Mitigation Activity Name	[Insert text]		
MA-ID	[Insert text]		
The scale of the Mitigation Activity	[Insert text]		
Sectoral scopes in which the proposed project activity falls	[Insert text]		
Monitoring period covered by the monitoring report	Start date: [DD/MM/YYYY]		
	End date: [DD/MM/YYYY]		
Is the above monitoring period different from the period in the original monitoring report published on the Environmental Affairs Department website? <i>(Tick applying option)</i>	Yes (if yes, provide the date below)		
	Period in the original monitoring report: [DD/MM/YYYY]		
	No (if not, leave the above blank)		
Amount of GHG emission reductions or net anthropogenic GHG removals achieved by the project activity in this monitoring period (tCO₂eq)	Amount achieved before period 1	Amount achieved from period 1 to period 2	Amount achieved after period 2
	[Insert Amount]	[Insert Amount]	[Insert Amount]
We confirm that this proposed MO activity meets all relevant verification requirements and hereby requests MO issuance <i>(Tick applying option)</i>	Date: [DD/MM/YYYY]		
	MAP Name: [Insert text]		
	MAP-ID: [Insert text]		
	Signature: [Insert text]		

2. Attachment checklist		
List of documents attached to this Form <i>(Tick applying option)</i>	Letter of No Objection	
	Completed Mitigation Activity Monitoring Report	
	Positively examined Verification Report	
	Letter of Authorization (LOA)	
	Evidence of communication with the Paris Agreement or cooperating entity	
Is a post-registration change requested together with this request (post-registration change - issuance track)? <i>(Tick applying option)</i>	Yes	No

Template O: Annual Information to the UNFCCC [for Article 6.2 and Article 6.4]

Annual information prepared by the Environmental Affairs Department by no later than 15 April every year in an electronic format for recording in the Article 6 database.

Based on the draft version of the agreed electronic format referred to in Decision 2/CMA.3, annex, chapter IV.B (Annual information)

[Required fields are in bold]

Table 1: Heading	
Party	Party
Reported year	Year
^a The annual period from 1 January to 31 December during which actions occurred.	

Table 2: Actions									
Article 6 database record ID	Unique identifier			Metric and quantity			MO details		
	First unique identifier ^b	Last unique identifier ^c	Underlying unit block start ID ^d	Underlying unit block ID ^e	Metric ^f	Quantity (expressed in metric) ^g	Quantity (tcO2eq)	Conversion factor (reporting party) ^h	First transferring participating Party ⁱ
	Cooperative approach ^a								
	Article 6.4 mechanism								
(Table continues)									
	Energy IPPU								
	AFOLU Waste								

Actions									
Authorization	Action details				Actions				
	Purposes for Authorization	OIMP authorized by the party ^o	First transfer definition ^p	Action date ^q	Action type ^r	Transferring participating Party ^s	Acquiring participating Party ^t	Purposes for cancellation ^u	Using participating Party or authorized entity or entities
Date of authorization ^m									
	NDC		Authorization						
	OIMP		Issuance						
	NDC and OIMP		Use or cancellation						

- ^a Name / ID of the cooperative approach as per common nomenclatures. ¹
- ^b First MO unique identifier.
- ^c Last MO unique identifier.
- ^d Underlying unit block start ID for MOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.
- ^e Underlying unit block end ID for MOs recorded on the basis of cooperative approach units tracked in an underlying cooperative approach registry.
- ^f GHG or non-GHG
- ^g For non-GHG, the metric in which the MO was generated as per common nomenclatures
- ^h The conversion method or factor of the non-GHG units in the reporting Party's as per decision 2/CMA.3, annex, paragraph 22(d).
- ⁱ Participating Party in which the mitigation was generated as per common nomenclatures.
- ^j Year in which the mitigation outcome occurred.
- ^k Sector(s) where the mitigation outcome occurred as per common nomenclatures based on Intergovernmental Panel on Climate Change guidelines
- ^l Description of the Mitigation Activity type(s) as per common nomenclatures.
- ^m Date of authorization by transferring Party.
- ⁿ Authorization ID as assigned by the first transferring party, may include a link to the public evidence of authorization by the first transferring party.
- ^o Fill when "Purposes for authorization" is "OIMP" or "NDC and OIMP"
- ^p If OIMP is authorized, the first transferring participating Party definition of "first transfer" as per decision 2/CMA.3, annex, paragraph 2 (b).
- ^q Date on which the action was executed in the registry of the reporting Party
- ^r Action type as per decision 2/CMA.3, annex, paragraph 20(a) and any further relevant guidance.
- ^s Initiating participating Party, including for cancellations and uses-
- ^t Participating Party receiving MOs.
- ^u For relevant actions, the specific purposed for cancellation towards which MOs can be or were used.
- ^v Approach for first transfer as per decision 2/CMA.3, annex, paragraph 2 to be clarified, subject to defining the list of actions as per note "r" above.

Template P: Regular Information Report [for Article 6.2 and Article 6.4]

Regular information Malawi prepares as an Annex to its Biennial Transparency Report (BTR) pursuant to chapter IV.C, paragraphs 21 – 24 in Decision 2/CMA.3 as a participating Party.

Malawi is pleased to submit information in relation to the Party's participation in cooperative approaches, as applicable to the Biennial Transparency Report (BTR), as referred to in decision 2/CMA.3, annex, chapter IV.C.

Parameters	Response
1. Participation responsibilities [paragraph 21 (a)]	
a. Information on how the Party ensures that it is a Party to the Paris Agreement. [paragraph 21(a), para. 4(a), update to para. 18(a)]	
b. Information on how the Party ensures that it has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2. [paragraph 21(a), paragraph 4(b), update to paragraph 18(a)]	
c. Information on how the Party ensures it has arrangements in place for authorizing the use of MOs towards the achievement of NDCs pursuant to Article 6, paragraph 3 [paragraph 21(a), paragraph 4(b), update to paragraph 18(a)]	
d. Information on how the Party ensures it has arrangements in place that are consistent with Article 6, paragraph 2, guidance and relevant decisions of the CMA for tracking MOs. [paragraph 21(a), paragraph 4(b), update to paragraph 18(a)]	
e. Information on whether the most recent national inventory report required in accordance with decision 18/CMA.1 has been provided. [paragraph 21(a), paragraph 4(b), update to paragraph 18(a)]	
f. Information on how the Party ensures participation contributes to the implementation of its NDC and long-term low-emission development strategy if it has submitted one, and the long-term goals of the Paris Agreement. [paragraph 21(a), paragraph 4(b), update to paragraph 18(a)]	
2. Updates to the information provided by the Party in its initial report as per decision 2/CMA.3, annex, chapter IV.A (Initial report), and any previous biennial transparency reports for any information that is not included in the biennial transparency report pursuant to decision 18/CMA.1, annex, paragraph 64 [paragraph 21(b), update to paragraph 18(b)].	
[Insert Text]	
3. Information on authorizations and information on its authorization(s) of use of MOs towards the achievement of NDCs and authorization for use for other international mitigation purposes, including any changes to earlier authorizations, pursuant to Article 6, paragraph 3 [paragraph 21(c)].	
[Insert Text]	

4. Information on how corresponding adjustments undertaken in the latest reporting period, pursuant to decision 2/CMA.3, annex, chapter III (Corresponding adjustments) ensure that double counting is avoided in accordance with paragraph 36 of decision 1/CP.21 and are representative of progress towards implementation and achievement of the Party's NDC and how those corresponding adjustments ensure that participation in cooperative approaches does not lead to a net increase in emissions across participating Parties within and between NDC implementation periods [paragraph 21(d)].

[Insert Text]

5. Information on how the Party has ensured that MOs that have been used towards achievement of its NDC or mitigation outcome(s) authorized for use and that have been used for other international mitigation purposes will not be further transferred, further cancelled or otherwise used [paragraph 21(e)].

[Insert Text]

Parameters

Response

6. Information on each cooperative approach [paragraph 22(a - k) ²⁴]

a. Description of how the cooperative approach contributes to the mitigation of GHGs and the implementation of the NDC [paragraph 22(a)].

b. Description of how the cooperative approach ensures environmental integrity. [paragraph 22(b), update to paragraph 18(h)]

1. Description of how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods. [paragraph 22(b)(i), update to para. 18(h)(i)]

2. Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels and baselines set in a conservative way and below 'business as usual emission projections (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage). [paragraph 22(b)(ii), update to paragraph 18(h)(ii)]

3. Description of how the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods and how, when reversals of emission reductions or removals occur, the cooperative approach will ensure that these are addressed in full.[paragraph 22(b)(iii), update to paragraph 18(h)(iii)]

c. Where a mitigation outcome is measured and transferred in tCO₂eq, a description of how the cooperative approach provides for the measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA [paragraph 22(c)]

²⁴ Information on paragraph 22 (a - k) should be repeated for each cooperative approach the Party is engaged in at the time of reporting.

d. Where a mitigation outcome is measured and first transferred in a non-GHG metric determined by the participating Parties, a description of how the cooperative approach ensures that the method for converting the non-GHG metric into tCO₂eq is appropriate for the specific non-GHG metric and the mitigation scenario in which it is applied, including: [para. 22(d)] 1. Description of how the conversion method represents the emission reductions or removals that occur within the geographical boundaries and time frame in which the non-GHG mitigation outcome was generated. [paragraph 22(d)(i)] 2. Description of how the conversion method is appropriate for the specific non-CO₂ eq metric, including a demonstration of how the selection of the conversion method and conversion factor(s) applied to take into consideration the specific scenario in which the mitigation action occurs [paragraph 22(d)(ii)] 3. Description of how the conversion method is transparent, including a description of the method, the source of the underlying data, how the data are used, and how the method is applied in a conservative manner that addresses uncertainty and ensures environmental integrity [paragraph 22(d)(iii)]	
e. Description of how the cooperative approach provides for, as applicable, the measurement of mitigation co-benefits resulting from adaptation actions and/or economic diversification plans. [paragraph 22(e)]	
f. Description of how the cooperative approach minimizes and, where possible, avoids negative environmental, economic, and social impacts. [paragraph 22(f), update to paragraph 18(i)(i)]	
g. Description of how the cooperative approach reflects the eleventh preambular paragraph of the Paris Agreement, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity. [paragraph 22(g), update to paragraph 18(i)(ii)]	
h. Description of how the cooperative approach is consistent with sustainable development objectives of the Party, noting national prerogatives. [paragraph 22(h), update to paragraph 18(i)(iii)]	

i. Description of how the cooperative approach applies any safeguards and limits set out in further guidance from the CMA pursuant to chapter III.D. [paragraph 22(i), update to paragraph 18(i)(iv)]	
j. Description of how the cooperative approach contributes resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable. [paragraph 22(j), update to paragraph 18(i)(v)]	
k. Description of how the cooperative approach delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable. [paragraph 22(k), update to paragraph 18(i)(vi)]	
Annex I on additional information	
Annex II for confidential information	

Annex II - Guidelines for Article 6.2 Cooperative Approach

This section provides guidelines for the implementation of cooperative approaches, these guidelines outline the requirements for MAPs to ensure compliance with Sustainable Development, Environmental Integrity, and Authorization requirements under this framework.

Guideline 1: Sustainable Development Requirements

Malawi has prepared the requirements outlined in Table 10 for demonstrating the sustainable development co-benefits of a mitigation activity that aims to generate authorized MOs for potential international transfers.

Table 7: Sustainable Development Requirements

Definition	Sustainable Development (SD) contribution in this framework refers to the positive impact that a mitigation activity will have on SD goals of Malawi.
Requirement	Mitigation activities seeking to generate authorized MOs for international transfer in Malawi must contribute to its SD objectives of and the acquiring participating Party. This includes considering their respective strategies, policies, or long-term low greenhouse emission development strategies. The alignment with SD objectives should be demonstrated as part of the assessment process for such activities. Failure to demonstrate SD contribution will result in denial of Authorization.
Demonstration of contribution to the Sustainable Development objectives of Malawi	To demonstrate the contribution of a mitigation activity to the sustainable development objectives of Malawi, a comprehensive assessment should be conducted using sustainable development assessment tools. If the approved methodology under an ICS does not provide a tool for demonstrating the sustainable development contribution of a mitigation activity, the MAP may suggest an approach to assess and monitor sustainable development for the activity, which will be confirmed during the validation stage.
Environmental Impact Assessment	The activity developer aiming to implement an eligible mitigation activity under this guideline document shall, as applicable, acquire or demonstrate that it has obtained an Environmental Permit as a way of safeguarding any negative social or environmental-related impacts caused by the activity, including on air and water quality, biodiversity, and worksite safety.
Consultation	Where applicable, the activity developer shall undertake consultation with local and otherwise affected stakeholders regarding sustainable development and an established independent grievance process that stakeholders may access.

Guideline 2: Environmental Integrity Requirements

Malawi has prepared the requirements outlined in Table 11 for mitigation activities to demonstrate to ensure to meet Environmental Integrity.

Table 8: Environmental Integrity Requirements

Definition	The environmental integrity requirements refer to ensuring that transferring MOs do not affect Malawi's ability to meet its NDC and ensuring that such transfers do not lead to an increase in global GHG emissions.
Requirement	Malawi recognizes Environmental Integrity (EI) as an essential requirement for participating in Article 6.2 cooperative approaches. Mitigation activities seeking to generate authorized MOs for international transfer in Malawi shall be implemented in a manner that is consistent with the EI requirements.
Approaches	Malawi shall only authorize MOs from its NDC mitigation activities in the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 as a contribution towards part of the target by 2030. Thus, the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 budget from which Malawi will transfer mitigation outcomes for international transfer must contribute to achieving the conditional target and beyond. Malawi will apply a robust NDC accounting system to ensure that the overall effect of the international transfer of MOs for use toward NDC or OIMP shall not lead to the increase of global emissions. Additionally, Malawi shall apply the corresponding adjustment to all authorized MOs from eligible mitigation activities listed in this framework document to ensure environmental integrity
Assessment of Environmental Integrity requirement	Malawi requests the international carbon offset program to confirm the environmental integrity status of the ex-ante authorized MOs before issuance on their registry. Specifically, Malawi shall ensure that the transfer of MOs in a cooperative approach will: • Lead to no net increase in global emissions within and between the NDC implementation period. The conservative baseline applicable to the mitigation activity is set below the net sink's business-as-usual emissions in Malawi's NDC. • Minimize the risk of non-permanence of mitigation across several NDC periods and when reversals of emission removals occur, ensuring that these are addressed in full. • Creation, transfer, and use of MOs for achieving NDC or IMP shall occur within the implementation period of its second updated first NDC and shall not automatically carry over any authorized unused or unmet MOs in the second NDC commitment period beyond 2030.

Prevention of double counting	Clarification of Malawi's NDC target and contribution from Article 6.2: • By 2040, Malawi commits to reducing aggregated greenhouse gas emissions by 51% with respect to the 2017 NDC baseline year, translating to 17.7 MtCO₂eq. • The 17.7 MtCO₂eq GHG reduction target by Malawi is divided as follows: ▶ An unconditional target of 6% GHG emission reductions with respect to the baseline scenario equivalent to 2.1 MtCO₂eq. ▶ A conditional target of an additional 45% GHG emission reductions with respect to the baseline scenario equivalent to 15.6 MtCO₂eq. • Malawi shall only authorize mitigation outcomes from mitigation activities in the eligible NDC conditional sectors and activities under Article 6.2 and Article 6.4 for international transfers toward NDC or OIMPs. • All activities and/or programmes implemented within Malawi for Article 6 shall amount up to a total of 15.6 MtCO₂eq as per the conditional target. Malawi may reserve the right to authorize activities and/or programmes beyond such target so far as the additional emissions reductions do not impede the successful achievement of Malawi's unconditional target. • Mitigation outcomes from the activities in the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 will contribute to the conditional target of the NDC that is unlikely to be achieved due to their high abatement cost, faced with policy, technology, and market barriers.
	Access to carbon registry system: Malawi will allow the use of private registries managed by the international carbon offset program recognized in this guideline for the certification, issuance and transfer of mitigation outcomes arising from mitigation activities in Malawi's eligible NDC sectors and activities for development under Article 6.2 and Article 6.4. The MOs issued on private registries will have a serial number format consistent with the elements in paragraph 29 of chapter VI.A in the Annex to Decision 2/CMA.2 per each cooperative approach. Malawi will have a country account on the UNDP co-shared carbon registry that will record and track all units issued to mitigation activities implemented in Malawi under a cooperative approach. The UNDP registry will serve as an accounting registry for Malawi from which information will obtain for corresponding adjustment and reporting to UNFCCC.
	Corresponding Adjustment: To prevent the double counting of the quantity of MOs that Malawi has authorized for the first transfer for use toward NDC or IMP by the acquiring participating entity, Malawi will apply corresponding adjustment according to the methodology consistent with guidance in Chapter III B of the Annex to Decision 2/CMA.3 and any future decision of the CMA and report same to UNFCCC.
	Reporting Annual and Regular Information to UNFCCC for review: As indicated in section 2.7 of this guideline, Malawi will annually submit to the Paris Agreement a quantitative report in an electronic format for recording in the Article 6 database consistent with the requirements under chapter IV.B (a-b) of the Annex to Decision 2/CMA.3. Additionally, Malawi shall include regular information on Article 6.2 transactions as an annex to its BTR submitted to the UNFCCC Secretariat per paragraph 10(b) of the annex to decision 18/CMA.1 and no later than 31 December of the relevant year.

Guideline 3: Authorization Requirements

Malawi has prepared the authorization requirements outlined in Table 12 for mitigation activities.

Table 9: Authorization requirements

Definition	Authorization refers to the process in which Malawi issues a Letter of Authorization to mitigation activities to generate MOs for transfer towards the achievement of NDC of the acquiring Party and/or authorized for use for other international mitigation purposes in line with Decision 2/CMA.3.
Requirements	A mitigation activity shall request and obtain a Letter of Authorization before it generates MOs for transfer towards the achievement of NDC of the acquiring Party and/or authorized for use for other international mitigation purposes in line with Decision 2/CMA.3.
Assessment	The requirements to obtain an Article 6.2 Letter of Authorization (A6.2LOA) for a mitigation activity are: The MAP has an account in the Malawi Carbon Registry System (MCRS). The proposed activity must demonstrate the requirements for environmental integrity and sustainable development satisfactorily as outlined in: Section 5.1 – Environmental Integrity Requirements Guideline 1 – Sustainable Development Requirements Guideline 2 – Environmental Integrity Requirements. The validation is according to the standards per the requirements outlined in Section 5.4 - Requisites for VVBs and UNFCCC accredited DOEs. The Mitigation Activity is included in the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4. The mitigation activity is not included in the Negative List. All eligible mitigation activities not mentioned in the eligible NDC sectors and activities for development under Article 6.2 and Article 6.4 must demonstrate financial and technical additionality to the NDC baselines.

Guideline 4: Expanded and detailed Mitigation Activity Development Steps for Article 6.2

MAPs who intend to develop Mitigation Activity under Article 6.2 must be guided by the development steps presented in Table 13.

Table 10: Expanded Article 6.2 activity cycle steps

Table Key		
Responsible	Legend	
Environmental Affairs Department (EAD)		
Mitigation Activity Participant (MAP)		
Verification/Validation Body (VVB)		

Step and Description		Actions	Resp.
Mitigation Activity design and development phase			
1a	MAP registration request	MAP requests registration in the MCRS through Template A meeting requirements and ensuring completeness.	
1b	MAP registration	If all information is complete, the EAD opens an account for the MAP in the MCRS and assigns a MAP-ID.	
2a	MAIN design and submission	The MAP designs a Mitigation Activity Idea Note (MAIN) and submits it using Template B , ensuring it meets the evaluation criteria in Annex IV .	
2b	MAIN review and no objection decision	The EAD reviews the MAIN to ensure informational completeness and the MA's compliance with eligibility criteria and should it meet all eligibility requisites, the EAD issues a Letter of No Objection (Template C).	
3a	MADD development	Upon receiving the Letter of No Objection, the MAP starts MADD design using the guidance in Template E ensuring it meets evaluation criteria in Annex V .	
3b	MADD Validation	A recognized and accredited VVB validates the developed MADD to ensure informational completeness and accuracy.	
4a	Request for MA's authorization and registration	Once validation is finalized and a positive validation report has been issued by the corresponding VVB, the MAP requests the MA's authorization and registration through Template F .	
4b	Payment of A6.2 admin fee	Upon the authorization and registration request's submission, the MAP pays the applicable administrative fee and uploads the payment's invoice in its MCRS account, for the EAD to initiate documentation review.	
4c	MA's authorization and registration	Upon receiving the payment, the EAD starts review of the MADD and positive validation report to ensure completeness (Checklist A). If completeness and accuracy is found, the EAD issues an A6.2LOA (Template H) and registers the MA in the MCRS assigning an MA-ID.	

Step and Description		Actions	Resp.
GoM's initial reporting requirements to the UNFCCC			
-	A6.2 Initial Reporting	Upon granting authorization, the EAD shall meet UNFCCC reporting obligations through an Article 6.2 Initial Report (Template J).	
Mitigation Activity implementation phase			
5	Monitoring and reporting	The MAP monitors the MA's implementation in accordance with the validated monitoring plan and develops monitoring reports per Template K .	
6	Verification	An eligible VVB verifies the developed monitoring reports to ensure informational accuracy and ensuring consistency with the validated MADD.	
7a	Request for positive examination	Upon having a positive verification report issued by the VVB, the MAP requests the report's review and positive examination by the EAD through Template L .	
7b	Positive examination and MOs issuance pre-approval	Upon receiving the request and all documentation, the EAD starts review of the positive verification report to ensure completeness (Checklist B). If completeness and accuracy is found, the EAD issues a Positive Examination of the submitted verification report through Template M and provides an issuance pre-approval.	
8a	Payment of issuance fee	Once a Positive Examination is granted, the MAP pays the applicable issuance fee and requests MOs issuance through Template N .	
8b	Issuance of MOs	Upon receiving payment and the issuance request and should all information be accurate, the EAD issues the MOs generated by the authorized MA in the MAP's account and the MCRS assigns unique identifiers.	
Transfer of MOs phase			
9a	Request for transfer of MOs	Once MOs have been issued, the MAP shall request transfer of MOs to the acquiring participating Party , electronically within its MCRS MAP account.	
9b	MOs retention for Malawi's buffer account	Upon receiving the transfer of MOs request, the EAD shall notify the percentage (%) of retained MOs (as stipulated in the A6.2LOA), to cover the Buffer Fee. The EAD shall send the retained MOs to Malawi's National Buffer Account for its own NDC achievement.	
9c	Transfer of MOs	The EAD shall transfer the remaining non-retained MOs to the participating acquiring Party, for the Party to use the ITMOs in accordance with the use purposes defined and authorized in the A6.2LOA.	
Additional GoM's reporting requirements to the UNFCCC			
-	Corresponding Adjustments	The EAD shall perform corresponding adjustments for the amount of transferred MOs to the acquiring participating Party.	
-	UNFCCC Reporting obligations	The EAD reports on implemented Article 6.2 Mitigation Activities within Malawi , complying with UNFCCC reporting obligations through: Annual information reports (Template O). Regular information reports (Template P).	

CARBON MARKET FRAMEWORK

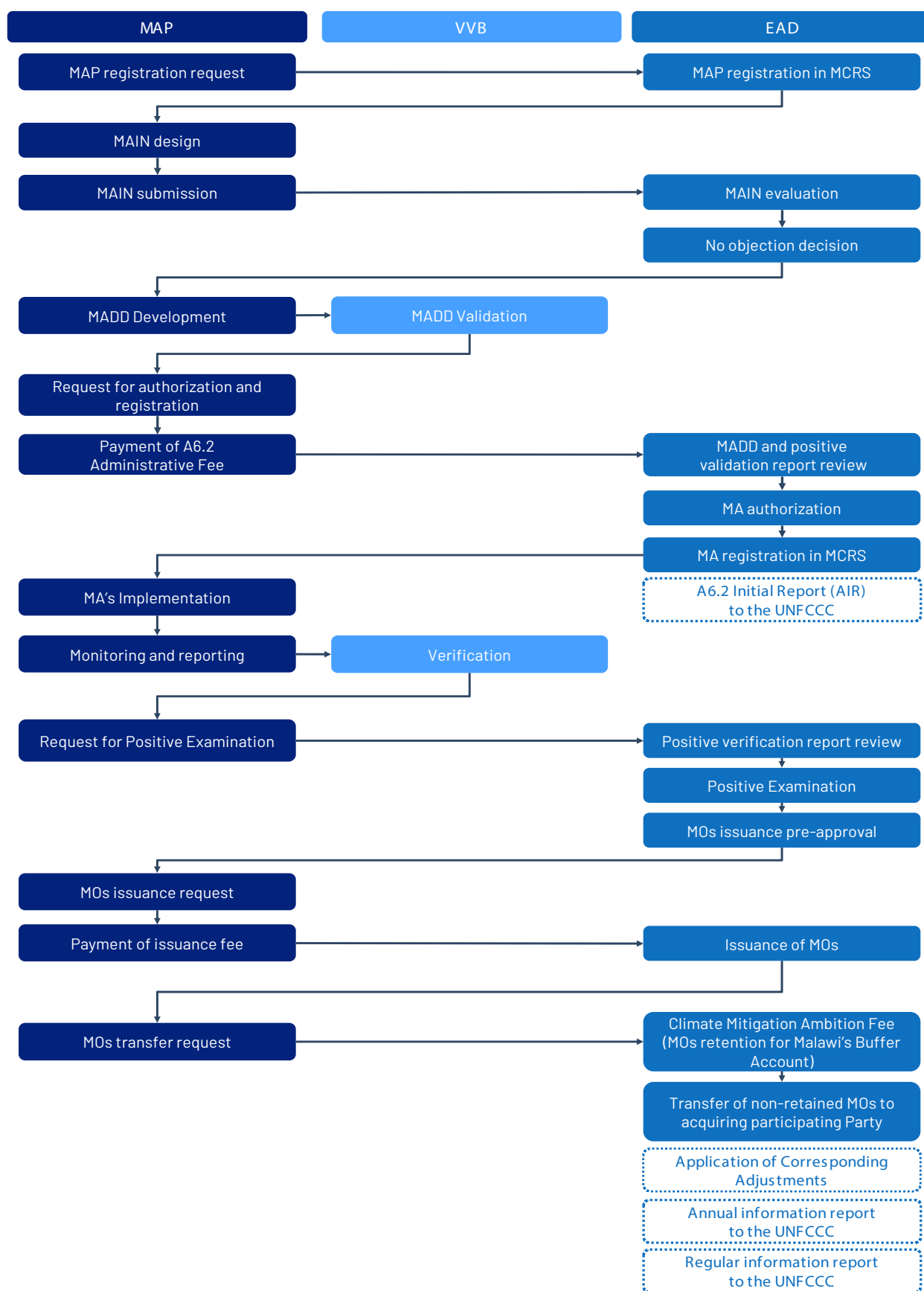


Figure 9: Expanded Article 6.2 Mitigation Activity development cycle steps

Table 11: Detailed Article 6.2 Mitigation Activity development cycle step

Steps	Tasks	Resp.	Inputs	Outputs
1 MAP Registration	1.1 MAP Registration Request 1.1.1 The MAP downloads the Mitigation Activity Participant or Entity Registration Form on the MCRS. 1.1.2 The MAP completes the application form and submits it through the indicated link in the form.	MAP	Template A (Mitigation Activity Participant (MAP) or Entity Registration Form)	Review by the EAD of the completed application form (Template A)
	1.2 Registration Review by the EAD 1.2.1 The EAD reviews the Mitigation Activity Participant (MAP) or Entity Registration Form, ensuring all information is correct.	EAD		
	1.3 Registration of MAP by the EAD in Malawi's Carbon Registry System (MCRS) 1.3.1 If all documentation is correct, the EAD registers the MAP in the MCRS and assigns a MAP-ID. 1.3.2 The EAD notifies the MAP of the created account, MAP-ID and login credentials. 1.3.3 The MAP finalizes account creation and has access to the MCRS.	EAD		The EAD creates a MAP account and assigns a MAP-ID, granting access to the MCRS.
	2.1 MAIN design 2.1.1 The MAP downloads the Mitigation Activity Idea Note (MAIN) Template from its MCRS account. 2.1.2 The MAP completes the MAIN and submits the documentation in its MCRS account.	MAP	Template B (MAIN)	Design and submission of MAIN.
2 MAIN design, submission and review	2.2 EAD review of submitted MAIN and no objection decision 2.2.1 The EAD reviews the submitted MAIN using the MAIN Evaluation Tool to ensure all documentation is complete and accurate and that the proposed Mitigation Activity covers the eligibility requirements in Section 5.2 - Eligible Mitigation Activities under Article 6.2, paragraph 5.2.2. 2.2.2 Should the MAIN's evaluation be positive and all documentation accurate, the EAD issues a Letter of No Objection and uploads it in the MAP's account in the MCRS. 2.2.3 Upon receiving the Letter of No Objection, the MAP may design and submit a MADD.	EAD	MAIN Evaluation Tool (Annex IV)	Letter of No Objection as guided by Template C.

Steps	Tasks	Resp.	Inputs	Outputs
3 MADD development and validation	3.1 MADD development 3.1.1 The MAP downloads the MADD template from its MCRS account. 3.1.2 The MAP develops the MADD, ensuring that all information is provided in detail and is aligned with the requirements in the MADD Evaluation Tool.	MAP	Template E (MADD) MADD Evaluation Tool (Annex V)	Finalized MADD document
	3.2 MADD validation by an independent and accredited VVB 3.2.1 The MAP contracts and independent and accredited VVB in accordance with Section 5.4 - Requisites for VBs and UNFCCC accredited DOEs to perform validation. 3.2.2 The VVB performs the developed MADD's validation process in accordance with the methodological technical requirements and the standard's requirements. 3.2.3 If all information is accurate, the VVB prepares and issues a positive validation report.	VVB	Template E (MADD)	The contracted VVB issues a validation report of the examined MADD
	4.1 Request for the Mitigation Activity's authorization and registration 4.1.1 The MAP requests, to the EAD , the Mitigation Activity's authorization and registration attaching to it, the validated MADD and the VVB's positive validation report. 4.1.2 Upon reception of the request, the EAD requests the payment of the A6.2 admin fee, prior to start the documentation's review.	MAP	Template F (Request for authorization and registration) Template E (MADD) Positive validation report A6.2 admin fee payment's invoice Checklist A (Validation Checklist)	The EAD starts with MADD consideration after reception of the A6.2 admin fee
4 MA's authorization and registration	4.2 Payment of the A6.2 admin fee 4.2.1 Upon the request's reception, the EAD mandates the MAP to pay the corresponding A6.2 admin fee, in accordance with Section 5.8 - Article 6.2 fees , before it proceeds with reviewing all documentation. 4.2.2 The MAP performs payment of the A6.2 admin fee and submit the payment's invoice following the instructions on its MCRS account.			

Steps	Tasks	Resp.	Inputs	Outputs
	4.3 Mitigation Activity's authorization and registration 4.3.1 Upon the A6.2 admin fee payment's reception, the EAD performs a review of the MADD and its associated positive report and prepares summarized decision material for review with the MEWG. 4.3.2 Should all information be accurate and complete in accordance with Checklist A, the MNRCC through the EAD, issues an A6.2LOA to the MAP, which indicates all authorization conditions (e.g., use purposes, crediting period, applicable retained MO's for Malawi's National Buffer Account, amongst others). 4.3.3 Upon A6.2LOA issuance, the EAD will proceed with the Mitigation Activity's Registration in the MCRS, and assigns a Mitigation Activity Identification Number (MA-ID) 4.3.4 The EAD will notify the MAP through its MCRS account and will see the Mitigation Activity with an assigned MA-ID.	MNRCC EAD MEWG		The EAD issues Template H (A6.2LOA) and registers the authorized MA in the MCRS.
Article 6.2 Initial report (AIR) (EAD-only)	Preparation of Article 6.2 Initial Report (AIR) The EAD prepares and submits, to the UNFCCC, the AIR for authorized Mitigation Activity in accordance with Section 5.6 - Corresponding Adjustments and Reporting Requirements.	EAD	Template J (Article 6.2 Initial Report)	The EAD publishes the completed AIR to the UNFCCC.
5 Monitoring and reporting	5.1 MA's implementation, monitoring and reporting 5.1.1 The MAP implements the authorized Mitigation Activity as established in the validated MADD and monitors it using the established Monitoring Report and in accordance with the methodology in the validated MADD.	MAP		The MAP performs periodic Monitoring Reports.
6 Verification	6.1 Monitoring Report verification by an independent and accredited VVB 6.1.1 The MAP contracts and independent and accredited VVB in accordance with Section 5.4 - Requisites for VBs and UNFCCC accredited DOEs to perform verification. 6.1.2 The VVB performs the developed Monitoring Report's verification process in accordance with the methodological technical requirements and the validated MADD. 6.1.3 If all information is accurate, the VVB prepares and issues a positive validation report.	VVB	Template K (Monitoring Report)	The contracted VVB issues a verification report of the examined Monitoring Report.

Steps	Tasks	Resp.	Inputs	Outputs
7 Positive Examination	7.1 Request for Positive Examination 7.1.1 The MAP requests, to the EAD , a Positive Examination attaching to it the verified Monitoring Report and the VVB's positive verification report.	MAP	Template L (Request for verification report's examination)	The MAP requests the positive examination to the EAD .
	7.2 Review of the VVB's positive verification report 7.2.1 The EAD conducts examination of the MA's verification report and its associated monitoring report and prepares summarized material for the MEWG's review. The MEWG also performs a technical review of all associated documentation to ensure accuracy and completeness.	EAD	Template K (Monitoring Report) Positive verification Report	Review of the Mitigation Activity's Verification Assessment Report.
	7.3 Positive Examination of the verification report and issuance pre-approval 7.3.1 If the review of the Mitigation Activity's verification report is positive, accurate and complete in accordance with Checklist B, the EAD provides a Positive Examination and pre-approves issuance, indicating that the MAP may proceed with MOs issuance request.	EAD	Checklist B (Verification Checklist)	The EAD issues a Positive Examination and an issuance pre-approval as per Template M .
8 MOs issuance	8.1 MOs Issuance request 8.1.1 Upon being granted with a Positive Examination and an issuance pre-approval, the MAP requests the verified quantity of MOs, by using the applicable form and uploading it in its MCRS account.	MAP	Template N (MOs Issuance Request Form)	The EAD requests payment of the Issuance Fee to proceed with issuance.
	8.2 Payment of the issuance fee 8.2.1 Upon receiving the issuance request, the EAD solicits payment of the applicable issuance fee through an electronic notification that shall be prompted in the MAP's Registry account. 8.2.2 The MAP shall perform payment of the issuance fee in accordance with Section 5.8 - Article 6.2 fees , before it proceeds with formal issuance.	MAP		
	8.3 Issuance of MOs 8.3.1 Upon reception of the applicable issuance fee payment invoice and confirmation of fund reception, the EAD shall issue the verified and pre-approved quantity of MOs.	EAD	Issuance fee's payment invoice	The EAD issues MOs in the MAP's MCRS account and proceeds to transfer stage.

Steps	Tasks	Resp.	Inputs	Outputs
9 MO transfers	9.1 MOs transfer request 9.1.1 Upon MOs issuance, the MAP's Registry account will electronically prompt the MAP a notification that it may request MO transfers. 9.1.2 The MAP, following the instructions in its MCRS account, solicits MO transfers to the EAD for it to start the transfer process to the acquiring participating Party.	MAP	Electronic MO Transfer Request	The EAD records the transfer of MOs with proper labels to the acquiring Party's Registry. The EAD retains the pre-agreed MOs, as per the A6.2LOA, for its National Buffer Account
	9.2 MOs retention for Malawi's National Buffer Account 9.2.1 Upon reception of the transfer request, the EAD shall claim the amount of MOs as part of the Buffer Fee, as per the A6.2LOA's authorization conditions. 9.2.2 The EAD cancels the retained MOs and send them to Malawi's Buffer Account in the MCRS.	EAD		The EAD cancels transferred MOs.
	9.3 MO transfers and cancellation 9.3.1 The EAD transfers the remaining non-retained quantity of MOs to the acquiring participating Party. 9.3.2 The EAD performs reconciliation and cancellation of transferred ITMOs upon acknowledgement of first transfer receipt by the acquiring participating Party.			
	Corresponding Adjustments (EAD-only)	Application of Corresponding Adjustments The EAD shall cancel transferred MOs with the assigned unique identifiers and apply Corresponding Adjustment and/or retirement in the MCRS and its National Inventory Report, in accordance with Section 5.6 - Corresponding Adjustments and Reporting Requirements .	EAD	N/A
Reporting obligations (EAD-only)	UNFCCC Reporting Requirements (in addition to the AIR) The EAD compiles quantitative information on Article 6.2 transactions in electronic format as an Annual Report and submits to the UNFCCC for recording in the Article 6 database. The EAD in conjunction with the Governmental Entity in charge of generating Malawi's Biennial Transparency Report (BTR), prepares Regular Information on Malawi's Article 6.2 Cooperative Approaches engagement as an annex to the BTR.	EAD	Template Q (Annual Information to the UNFCCC) Template P (Regular Information Report)	The GoM complies with Article 6.2 Reporting Requirements as mandated by the UNFCCC.

Guideline 5: Estimated timeframes of Malawi's Article 6.2 Mitigation Activity Development Cycle

Figure 8 presents the governmental responsibilities' general workflow's overview to operationalize Malawi's Article 6.2 Mitigation Activity Development Cycle; while Table 15 shows a more detailed step-by-step timeframe.

The presented timeframes are an approximation and shall be subject to changes depending on governmental capacities and workloads.

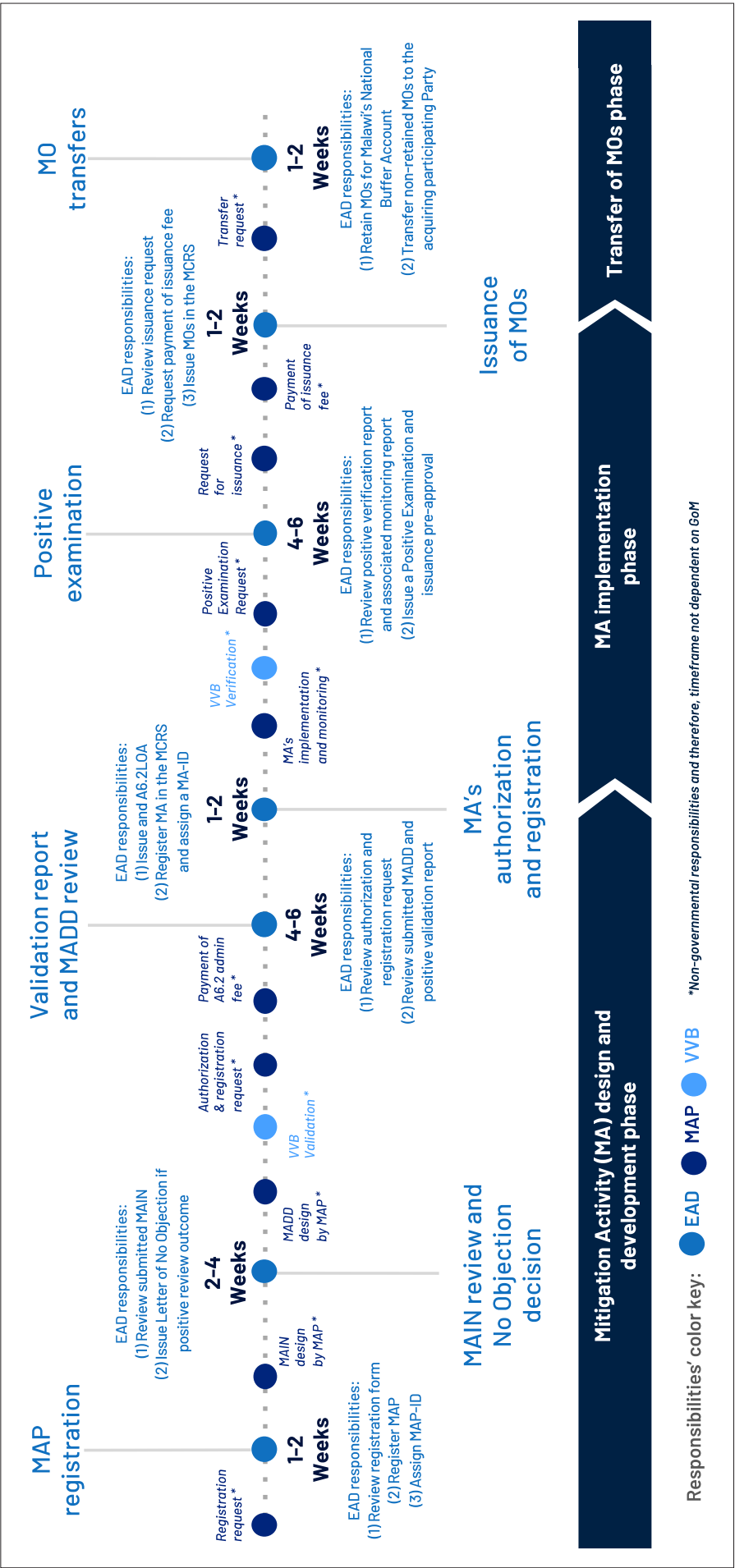


Figure 10: Article 6.2 Mitigation Activity Development Cycle's governmental response timeframes

Table 12: Article 6.2 Mitigation Activity Development Cycle's step-by-step timeframes

Steps	Task(s)	Resp.	Activities	Estimated timeframes
1 MAP Registration	1.1 MAP Registration Request	MAP	MAP prepares and submits registration form	Dependent on MAP
	1.2 Registration Review by the EAD	EAD	The EAD reviews documentation	5 – 10 business days after reception of registration request
	1.3 Registration of MAP by the EAD in the MCRS and assignation of MAP-ID.		If accurate, the EAD registers MAP and assigns a MAP-ID	
	Total estimated timeframe of governmental responsibilities for MAP registration			
2 MAIN review and no objection decision	2.1 MAIN design and submission	MAP	MAP prepares and submits MAIN	Dependent on MAP
	2.2 MAIN review	EAD	The EAD reviews documentation	10 – 20 business days after MAIN's submission
	2.3 No objection decision		If accurate, the EAD issues a Letter of No Objection	
Total estimated timeframe of governmental responsibilities for MAIN review and no objection decision				2 – 4 weeks
3 MADD Development and validation	3.1 MADD development and design	MAP	MAP prepares a MADD for validation	Dependent on MA type and MAP
	3.2 Validation of MADD	VVB	An accredited VVB performs the MADD's validation	Dependent on MA type and VVB
No governmental responsibilities in the MADD development and validation process				
4 MA's authorization and registration	4.1 Request for authorization and registration	MAP	MAP requests MA's authorization and registration	Dependent on MAP
	4.2 Payment of A6.2 admin fee	MAP	MAP pays corresponding A6.2 admin fee	Dependent on MAP
	4.3 Review of submitted MADD and validation report	EAD / MEWG	The EAD and MEWG review documentation	20 – 30 business days after receiving A6.2 admin fee payment
	4.4 A6.2LOA issuance and MA registration in the MCRS	MNRCC / EAD	If accurate, the EAD issues an A6.2LOA and assigns an MA-ID	5 – 10 business days after documentation review
	Total estimated timeframe of governmental responsibilities for the MA's authorization and registration			5 – 8 weeks
5 Monitoring and reporting	5.1 MA's implementation, monitoring and reporting	MAP	MAP submits Authorization and Mitigation Activity Registration Request	Dependent on MA type and MAP
6 Verification	6.1 Monitoring Report(s) verification process	VVB	An accredited VVB performs the corresponding Monitoring Report's verification	Dependent on MA type and VVB

Steps	Task(s)	Resp.	Activities	Estimated timeframes
No governmental responsibilities in the monitoring, reporting and verification process				
7 Positive Examination	7.1 Positive Examination request	MAP	The MAP requests the EAD to assess the verification report and issue a Positive Examination	Dependent on MAP
	7.2 Review of positive verification report and associated Monitoring Report	EAD / MEWG	The EAD reviews received verification report	20 – 30 business days after receiving Positive Examination Request
	7.3 Positive Examination of the verification report and issuance pre-approval	EAD	If information accurate, the EAD issues a Positive Examination and issuance pre-approval	
	Total estimated timeframe of governmental responsibilities for Positive Examination and issuance pre-approval			
8 MOs issuance	8.1 Request for issuance	MAP	The MAP requests the EAD MOs issuance and pays corresponding issuance fee	Dependent on MAP
	8.2 Payment of issuance fee			Dependent on MAP (up to 15 business days after request for issuance)
	8.3 Issuance of MOs	EAD	The EAD effects issuance of MOs	5 – 10 business days after receiving payment of the issuance fee
Total estimated timeframe of governmental responsibilities for MOs issuance				1 – 2 weeks
9 MO transfers	9.1 Transfer request	MAP	The MAP requests MO transfers to the EAD	Dependent on MAP
	9.2 MOs retention for Malawi's National Buffer Account (payment of Buffer Fee)	EAD	The EAD retains percentage of MOs for the MAP to cover the Buffer Fee, as pre-accorded in the A6.2LOA's conditions	5 – 10 business days after receiving MOs transfer request
	9.3 Transfer of MOs to acquiring participating Party		The EAD effects transfer of non-retained MOs to the acquiring participating Party	
Total estimated timeframe of governmental responsibilities for transfer of MOs				1 – 2 weeks

Annex III - Environmental Affairs Department Internal checklists

Checklist A: Validation Checklist

Validation		
Completeness checklist <i>[Internal for the Environmental Affairs Department]</i>		
The Environmental Affairs Department shall use this checklist to perform a Mitigation Activity's completeness review prior to its validation.		
No	Particulars	Checklist response
1	Mitigation Activity Name <i>[Name of Mitigation Activity under validation]</i>	
2	Letter of No Objection <i>[Has an issued Environmental Affairs Department Letter of No Objection]</i>	
3	Authorization status <i>[Request for LOA and/or LOA provided]</i>	
4	Name of accredited validation company <i>[Company hired by Mitigation Activity Participant]</i>	
5	Eligibility of validation company <i>[Company eligible under this Article 6.2 Framework]</i>	
6	Involvement of local expert <i>[Local Malawian(s) expert(s) included in the validation assessment team as required in this Article 6.2 Framework]</i>	
7	VVB-ID <i>[Unique ID issued by the Environmental Affairs Department in Malawi's Carbon Registry System (MCRS)]</i>	
8	Activity validation period <i>[Has a validation timeline been provided by the MAP]</i>	
9	Clearance of validation ToR by the Environmental Affairs Department <i>[The Environmental Affairs Department cleared ToR for validation]</i>	
10	Additional assessment during validation <i>[Comments from the Environmental Affairs Department for checking during validation]</i>	
11	SDG and safeguard requirements <i>[ToRs address SDG and Safeguard requirements in this Framework]</i>	
12	Mitigation Activity Consistency with NDC <i>[ToRs address assessment of linkages between the Mitigation Activity and Malawi's NDC]</i>	

13	Stakeholder engagement <i>[Involvement of local experts in stakeholder engagement]</i>	
	Checklist completed by: <i>[Full name of the person at the Environmental Affairs Department who completed the checklist]</i>	
	Checklist completion date: <i>[Full date -DD,MM,YY- the checklist was completed]</i>	
	Checklist was vetted and signed off by Malawi's Environmental Affairs Department administrator <i>[Date -DD,MM,YY- and signature of the Environmental Affairs Department administrator]</i>	

Checklist B: Verification Checklist

Verification Completeness checklist <i>[Internal for the Environmental Affairs Department]</i> Malawi's Environmental Affairs Department shall use this checklist as a comprehensive and systematic assessment prior to the verification of a Mitigation Activity.		
No	Particulars	Checklist response
1	Mitigation Activity Name <i>[Name of Mitigation Activity under verification]</i>	[Insert text]
2	Monitoring Report Status	[Insert text]
3	Authorization Status	[Insert text]
4	Claim MOs achieved by Mitigation Activity	[Insert text]
5	Name of accredited verification company	[Insert text]
6	Verification company eligible	[Insert text]
7	Local Expert involved	[Insert text]
8	Verification Entity ID	[Insert text]
9	Activity verification period	[Insert text]
10	SDG and Safeguard Requirements	[Insert text]
11	NDC and Activity Consistency and Interlinkage	[Insert text]
12	The Environmental Affairs Department preliminary completion checks of this monitoring template	[Insert text]
	Checklist completed by	[Insert text]
	Checklist completion date	(DD/MM/YYYY)
	Name and signature of vetting and sign-off from the Environmental Affairs Department administrator	[NAME] [Signature]

Annex IV – MAIN Evaluation Tool

This Mitigation Activity Idea Note (MAIN) Evaluation Tool serves as a comprehensive reference to project developers on the manner a MAIN ([Template B](#)) will be evaluated by the Government of Malawi to request the MAP a posterior MADD submission. The MAIN evaluation criteria is based on three levels of importance: **crucial**, **important** and **relevant**.

Crucial fields will need to be adequately filled out for the MAIN to receive a positive response or otherwise, the MAIN shall be rejected; **Important** fields may require further clarification if filled out incorrectly; **Relevant** fields are desired but may not hamper a positive review by the Government of Malawi.

Module A – Background Information and MAP or Entity contact information

This module operates on a Yes/No scoring to ensure that the Mitigation Activity Participant (MAP) is eligible to submit a project according to Malawi's entry requirements.

Name	Scope	Scoring Type	Importance	Action
1 MAP legal name	The MAP shall be a legally established entity that complies with the requirements set forth in Section 4.1 – General Rules and Applicability of the Mitigation Activity Development Cycle .	Yes/No	Crucial	If NO , MAIN shall not be approved and rejected. The EAD shall notify the MAP that the request has been denied as the legal entity does not comply with requirements.
2 Existing MAP-ID	The MAP shall have an existing account and identification number in Malawi's Carbon Registry. Note: <i>Having an account and MAP-ID in Malawi's Carbon Registry shall enter into force until such digital platform is fully operational.</i>	Yes/No	Relevant	If NO , MAIN shall not be approved and rejected. The EAD shall notify the MAP to open an account in the country's registry and resubmit MAIN within thirty (30) natural days of such notification .
3 MAP full address	MAP's address can be located, is truthful and associated with the legal entity submitting the MAIN.	Yes/No	Important	If NO , MAIN shall not be approved and rejected; the EAD shall notify the MAP that the request has been denied. In the event information is missing in the submitted document, the EAD will interpret it as an involuntary omission and shall notify the MAP. The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
4 Name of key contact person	Name is duly inserted	Yes/No		
5 Position of contact person	Position is truthful and within the legal entity submitting the MAIN.	Yes/No		
6 Phone number of contact person	Phone number is duly inserted, including country area code (in the event of an international phone number).	Yes/No		
7 E-mail of contact person	Email is duly inserted	Yes/No		

Module B – MAIN details

This module operates on a Yes/No scoring to ensure that the Mitigation Activity Participant (MAP) is eligible to submit a project according to Malawi's entry requirements.

Name	Scope	Scoring Type	Importance	Action
Background Information of the proposed Mitigation Activity				
1 Title of proposed Mitigation Activity	The proposed title is clear, concise and adequately summarizes the Mitigation Activity's purpose and objectives	Yes/No	Relevant	If NO , MAIN shall not be approved and rejected. The EAD may ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification.
2 Location of Mitigation Activity	The Mitigation Activity's location is within Malawi's borders ^W	Yes/No	Crucial	If NO , MAIN shall not be approved and rejected. The EAD shall notify the MAP that the request has been denied as the project must be within Malawi.
3 Intended acquiring Party(ies)	The MAP has clearly indicated within the submitted MAIN document, the intended acquiring party: • If sovereign buyer, it must include a country with whom Malawi has entered into a bilateral agreement for Article 6 cooperation. • If CORSIA (other international purposes), intended buyer must be included. • If other international purposes NOT CORSIA (i.e., Article 6 Gold Standard or VERRA labels), information must be clear in what standard/corporate will be acquiring MOs.	Yes/No	Important	If NO , MAIN shall not be approved and rejected. The EAD may ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification.

Name	Scope	Scoring Type	Importance	Action
4 Mitigation Activity sector	The proposed Mitigation Activity is in a sector covered by the NDC and listed under the positive list Section 5.2 - Eligible Mitigation Activities under Article 6.2 and Article 6.4 . If the Activity is not listed under Table 4; or not mentioned in the NDC as conditional, the Mitigation Activity must be quantified within Malawi's National Inventory Report (NIR), this is duly explained in the "other" field.	Yes/No	Crucial	If NO , MAIN shall not be approved and rejected. The EAD shall notify the MAP that the request has been denied as the project cannot undergo a corresponding adjustment as per international rules for Article 6.
5 Intended use purpose the project is seeking Mitigation Outcome authorization	The MAIN document clearly states the ITMO use purpose (i.e., NDC achievement/sovereign; for Other International Mitigation Purposes - OIMPs-).	Yes/No	Important	If NO , MAIN shall not be approved and rejected. The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
Mitigation Activity specifics				
6 Summary of the proposed Mitigation Activity	The MAP has added a coherent and short summary of the proposed Mitigation Activity, which is not conflicting with the introduction, objectives, sectoral relevance, SDG priorities, technological scope, financial additionality description and MRV plan.	Yes/No	Important	If NO , MAIN shall not be approved and rejected. In the event information is missing or not complete in the submitted document, the EAD will interpret it as an involuntary omission and shall notify the MAP.
7 Introduction to the proposed Mitigation Activity	The MAP has provided a coherent and short introduction to the proposed Mitigation Activity detailing its importance to Malawi's Sustainable Development.	Yes/No	Important	The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
8 Objectives of the proposed Mitigation Activity	Objectives within the MAIN are properly structured in bullet points, succinct, realistic and written in an active tense.	Yes/No	Important	

Name	Scope	Scoring Type	Importance	Action
9 Linkage with Malawi's relevant NDC sectoral priorities	The proposed Mitigation Activity is in a sector covered by the NDC and listed under Section 5.2 - Eligible Mitigation Activities under Article 6.2 and Article 6.4 . If the Activity is not listed under Table 4; or not mentioned in the NDC as conditional, the Mitigation Activity must be quantified within Malawi's National Inventory Report (NIR) and is duly explained in the "other" field.	Yes/No	Crucial	If NO , MAIN shall not be approved and rejected. The EAD shall notify the MAP that the request has been denied as the project cannot undergo a corresponding adjustment as per international rules for Article 6.
10 Contribution to Malawi's SDG priorities	The Mitigation Activity's SDG contribution is duly explained and well aligned with SDG priorities as shown in Malawi's NDC, pages 33 – 44 . It is ideal that SDGs go beyond what the government has detailed in the NDC.	Yes/No	Crucial	If NO , MAIN shall not be approved and rejected.
11 Proposed technology and rationale for its application	The MAP has clearly indicated the technology type of the proposed Mitigation Activity, its importance for Malawi, its alignment with SDG priorities and its linkage with the country's NDC needs.	Yes/No	Crucial	In the event information is missing or not complete in the submitted document, the EAD will interpret it as an involuntary omission and shall notify the MAP.
12 Statement for technical/financial additionality and financial requirements	The MAP clearly indicates and builds a case of why the proposed Mitigation Activity will be financially additional and help Malawi reach its conditional NDC targets. The explanation should detail the reason why, in the absence of carbon finance, the activity could not be implemented.	Yes/No	Crucial	The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
13 Monitoring, Reporting and Verification (MRV) plan	The MAP has clearly indicated the way in which achieved emission reductions by the proposed Mitigation Activity will be monitored, reported and verified following a concrete and accepted methodology by Malawi. The latter as detailed in Section 5.3 - Eligible methodologies under Article 6.2 and 6.4 .	Yes/No	Crucial	

Name	Scope	Scoring Type	Importance	Action
14 Governance Arrangement	The MAIN summarizes the proposed Mitigation Activity's governance structure including the way in which possible governmental interaction (if needed) shall be managed. If required, the governance structure shall also include the way in which potential social consultations will be done (i.e., approach with indigenous communities, amongst others).	Yes/No	Crucial	
15 Intended Mitigation Activity Workplan	The MAIN includes a high-level workplan showing the overall Mitigation Activity's design, implementation and MRV timeframes.	Yes/No	Important	If NO , MAIN shall not be approved and rejected. The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
Submission details				
16 Submitted by	Name is duly inserted	Yes/No	Relevant	If NO , MAIN shall not be approved and rejected; the EAD shall notify the MAP that the request has been denied. In the event information is missing in the submitted document, the EAD will interpret it as an involuntary omission and shall notify the MAP. The EAD will ask the MAP to resubmit the MAIN with clarifications within thirty (30) natural days of such notification .
17 Designation/position	Position is truthful and within the legal entity submitting the MAIN.	Yes/No		
18 Signature	Signature is duly included	Yes/No		
19 Submission date	Date matches submission and/or is stamped before MAIN's submission date.	Yes/No		

Annex V – MADD Evaluation Tool

This Mitigation Activity Design Document (MADD) Evaluation Tool serves as a comprehensive reference to project developers on the manner a MADD ([Template E](#)) will be evaluated by the Government of Malawi to ensure submitted projects for authorization comply with EI principles, SDGs, financial additionality, country priorities, amongst others.

Module O – Entry Requirements

This module operates on a Yes/No scoring to ensure that the project type is eligible according to Malawi's entry requirements.

Table 13: Entry Requirements Assessment of MADD

Name	Scope	Scoring Type	Justification
1 Eligibility of Project Type	Activity is not eligible according to host country policy. In the case of bilateral agreements, both host and receiving country requirements apply and eligibility is based on their eligible NDC sectors and activities for development under Article 6.2 and Article 6.4.	Yes/No	If no, activity shall not be approved.
2 Availability of Letter of No Objection	Malawi, when applicable, has issued a letter of no objection in MO transactions, particularly on specific activity under PA's Art. 6, & willing for corresponding adjustments. If no, activity cannot be approved.	Yes/No	If no, activity shall not be approved.
3 Coverage of MA within the NDC Scope	Activity is in a sector covered by the NDC.	Yes/No	The Article 6 rulebook allows Art. 6.2 activities outside the NDC, but a corresponding adjustment is required. To avoid potential future issues, ensure that the host country is willing to perform corresponding adjustments for an activity outside the NDC.
4 Compliance with applicable legal provisions	Bilateral agreements between Malawi and partner countries for the implementation of Article 6 of the Paris Agreement.	Yes/No	The requirements set out in the bilateral agreements between Malawi and partner countries for the implementation of Article 6 of the Paris Agreement must be respected.
5 State of the art	Advanced state of development of technological processes that are feasible or have been proven to work in practice. The state of the art is based primarily on local conditions in the partner country.	Yes/No	If No, activity shall not be approved.

Name	Scope	Scoring Type	Justification
6 Earliest eligible starting date of the MA	Start date of the MA shall be after [Date] , according to host country policy and, when applicable, the counterpart country in cooperative approaches.	Yes/No	If the start date of the MA lays before [Date] , the activity will not be considered. Moreover, the MAs already registered under a carbon scheme will require a renewed authorization under the bilateral agreement, irrespective of registrations under a carbon scheme.
7 Start of implementation	Implementation of the project or programme must have started no earlier than 3 months before the application is submitted.	Yes/No	Project or programme implementation is deemed to start on the date on which the applicant has made a significant financial commitment to third parties or itself takes organizational measures relevant to the project or programme
8 Crediting period	The crediting period lasts until 31 December 2030 or until the end of the project or programme duration if this is shorter than the crediting period.	Yes/No	The crediting period protects the project from unforeseeable legal changes that could affect its reference development. The decision on project or programme qualification and the associated crediting period guarantee that the applicant can apply the emission reduction calculation specified in the project or programme description throughout this period
9 Eligible languages for submission	Submissions are admitted only in English .	Yes/No	Submissions in other languages different from English are not considered.
10 Eligible means of proposal submission	Proposals submissions are only considered if submitted through the appropriate channel.	Yes/No	Submissions only via the appropriate channel.
11 Eligibility of activity in terms of geographic limits	A proposal must be specific to Malawi.	Yes/No	Submission of multinational proposals will not be considered.

Module A – Project Design

This module aims to assess the relative robustness of the MA's design and implementation. It is key for assessing how environmental integrity is ensured. The key indicators included in this module evaluate how the baseline scenario has been established, as well as the related portfolio of project and/policy intervention part of the MA. It also covers the MRV plan, and the methods proposed for the calculation of emissions reductions.

At the design stage, this module evaluates the MA's scope, objectives and targets, and alignment with national policies and priorities. It also assesses the planning of the program to evaluate the level of risk involved in its implementation and the proposed investment structure and planning. At the implementation stage, this module evaluates the results that have been achieved, the monitoring and reporting of emissions, and how corrections are handled when the results deviate from their established objectives and targets.

Table 14: Project Design Assessment of MADD

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
1 Definition & Scope	20%	1.1 Description of the MA technology or change in practice	25%	80 - The project documentation includes a description of the MA technology or change in practice that is complete and there is no ambiguity in how and about the extent to which it will be implemented.	[Score]
				50 - The project documentation includes a complete description of the MA technology or change in practice, but there is ambiguity in how and the extent to which technology or practice will be implemented.	
				20 - The description of the MA technology or change in practice in the project documentation, is limited or not defined.	
	40%	1.2 Scope of the Mitigation Action (MA).	40%	80 - The project documentation describes the scope of the MA. It is consistent with the boundaries and the activities proposed for the project. It states intended use of GHG emission reductions as contributions to existing NDC.	[Score]
				50 - The scope of the MA in the project documentation is defined and consistent, but it does not clearly state its alignment with the NDC.	
				20 - The scope of the MA is neither clearly defined nor documented in the project documentation.	
	10%	1.3 Starting date and duration of the MA, including duration of the crediting period if appropriate	10%	80 - The project documentation clearly defines the starting date of the MA and is justified in terms of when the emissions reduction can be attributed to the MA. The anticipated duration of the crediting period is defined appropriately.	[Score]
				50 - The project documentation clearly defines the starting date of the MA and is justified in terms of when the emissions reduction can be attributed to the MA. Yet the duration of the crediting period is not defined.	
				20 - The project documentation does not clearly define the starting date of the MA.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
		1.4 Boundaries of the MA in terms of geographical area of implementation and greenhouse gases	25%	80 - The project documentation clearly defines the geographical boundary of the MA in accordance with the jurisdictional authority of the MA Management Entity (if applicable), and to the national legal authority. The boundaries definition includes the evaluation of possible double counting risk with other ongoing projects, programs and jurisdictions.	[Score]
				50 - The project documentation clearly defines the geographical boundary of the MA, but it does not justify how it can interact with the jurisdictional authority of the Management Entity (if applicable), and the national legal authority. It does not take into account possible double counting risk with other ongoing projects, programs and jurisdictions.	
				20 - The project documentation does not clearly define the geographical boundary of the MA.	
				80 - The project documentation defines the MA objectives and targets, and their definition follows at least the following concepts of the SMART principle: being Specific, Measurable, and Time-based.	
2 Objectives & targets	20%	2.1 Definition review of MA objectives and targets	15%	50 - The project documentation defines the MA objectives and targets, but their definition does not follow any of the elements of the SMART principle (Specific, Measurable, Attainable, Realistic, Time-based).	[Score]
				20 - The MA objectives and targets included in the project documentation are incomplete and not clearly defined.	
				80 - The objectives of the MA included in the project documentation clearly define the commitment to reduce GHG emissions.	
				50 - The objectives of the MA included in the project documentation does not state a clear and specific commitment toward the reduction of GHG emissions.	
		2.2 MA objectives related to reduction of GHG emissions	30%	20 - The objectives of the MA included in the project documentation does not define any commitment to reduce GHG emissions	[Score]

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
		2.3 NDC information related to the MA	25%	80 - The project documentation includes a summary of the NDC's information relevant to the proposed activity including: - Overall target (conditional - unconditional); - Target's level of ambition (refer to public sources); - Is the sector/activity covered under the NDC? If yes, how? - Are there specific pledges/policies that apply to the sector/activity?	[Score]
				50 - The project documentation includes a summary of NDC's information linked to the proposed activity, but the information does not address properly how the MA is covered under the NDC.	
				20 - The project documentation does not include any NDC information relevant to the proposed activity.	
				80 - The project documentation includes specific mitigation targets for the MA, that takes into account the baseline emissions scenario, and provides some analytical evidence that justify how the targets were set, based on jurisdictional circumstances, and/or technological options.	
		2.4 MA targets	30%	50 - The project documentation includes specific mitigation targets for the MA, that take into account the baseline emissions scenario, but there is no justification of how the targets were set.	[Score]
				20 - The project documentation does not include specific mitigation targets for the MA.	
				80 - The project documentation identifies possible barriers to the MA's implementation, including those faced by the MA and the project developer in case of absence of external support. The project documentation defines measures to overcome identified barriers.	
				50 - The project documentation mentions barriers that the MA face for its implementation, but they are not properly or completely justified, and there are no proposed actions to overcome them.	
3 Planning	30%	3.1 Barriers for implementation	20%	20 - The project documentation does not reference any barrier to the development of the MA.	[Score]

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
	3.2 Barriers for implementation		25%	80 - The project documentation identifies possible barriers to the MA's implementation, including those faced by the MA and its MAP in case of absence of external support. The project documentation defines measures to overcome identified barriers.	[Score]
				50 - The project documentation mentions barriers that the MA face for its implementation, but they are not properly or completely justified, and there are no proposed actions to overcome them.	
				20 - The project documentation does not reference any barrier to the development of the MA.	
	3.3 Risk analysis for implementation, risk management and mitigation plan.		23%	80 - The project documentation identifies all the potential risks (political, legal, institutional, financial, and technical) relevant to the MA's implementation.	[Score]
				50 - The project documentation identifies some potential risks for the implementation of the MA, but they do not cover all of the relevant aspects of the MA implementation: political, legal, institutional, financial, and technical.	
				20 - The project documentation does not define any potential risk for the implementation of the MA.	
	3.4 MA compliance with regulatory requirements		16%	80 - The project documentation includes all relevant references to the legal and regulatory compliance of the MA objectives and activities at all competent jurisdictional levels.	[Score]
				50 - The project documentation includes some references to the legal and regulatory compliance of the MA objectives and activities, but they do not cover all the competent jurisdictional levels.	
				20 - The project documentation does not address the compliance of the MA objectives and activities with regard to the Jurisdiction's legal and regulatory framework at any level.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
4 Emission reductions from interventions	20%	3.5 Process for the involvement of local stakeholders in the development of the MA, including a public comment period.	16%	80 - The project documentation references a process for the, which includes the criteria for their identification and selection.	[Score]
				50 - The project documentation mentions a process in place for the involvement of local stakeholders in the design of the MA but does not specify the criteria for their identification and selection.	
				20 - The project documentation has no reference to a process for the involvement of local stakeholders in the design of the MA.	
				80 - The project documentation mentions a process in place for the definition of boundaries and GHG effects for the interventions under the MA, including the evaluation of cross effects within and outside the intervention boundaries or the jurisdiction.	
4 Emission reductions from interventions	30%	4.1 MA interventions boundaries and GHG effects		50 - The project documentation mentions a process in place for the definition of geographical boundaries and GHG effects for the interventions under the MA, but the process is incomplete and does not evaluate cross effects within and outside the jurisdiction.	[Score]
				20 - The project documentation does not describe a process in place for the definition of geographical boundaries and GHG effects for the interventions under the MA.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 - 100)
		4.2 GHG estimation and calculation methodologies	40%	80 - The project documentation refers to internationally recognized methodologies for the estimation-calculation of emissions reductions from the MA. It provides a first estimate of emissions reductions and justifies the assumptions and default values applied.	[Score]
				50 - The project documentation includes estimates of emissions reduction based on a self-developed methodology and includes a justification for the approval of the methodology that ensures the methodology is technically sound. It provides a first estimate of emissions reductions and justify the assumptions and default values applied.	
				20 - The project documentation includes an estimation of ER without a reference to any specific methodology applied or there is no evidence of the proposed methodology being independently reviewed.	
				80 - The project documentation includes the calculation of the MA baseline, that represents an alternative scenario in the absence of the MA. The calculation takes into account the accuracy of the baseline emission factors, and the baseline technology or practice alternatives. The baseline scenario is calculated conservatively and takes into account policies or circumstances that may affect its trajectory throughout time.	
		4.3 The MA baseline scenario estimation and calculation methodologies	30%	50 - The project documentation includes a methodology for the calculation of the MA baseline, that represents an alternative scenario in the absence of the MA. Yet, the baseline scenario is not calculated conservatively, and does not take into account any relevant policy or circumstance (national, local or sectoral) that may affect its trajectory throughout time.	[Score]
				20 - The MA baseline scenario in the project documentation is either not defined, or the calculation chosen for its estimation does not take into account any driver of future emissions reductions.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
5 Monitoring & Reporting	10%	5.1 The MA Key performance indicators process	40%	80 - The project documentation defines key performance indicators to evaluate GHG (see A5.2 below) and non GHG objectives and targets of the mitigation activity, including oversight of the contribution to sustainable development and provisions to ensure a just transition.	[Score]
				50 - The project documentation defines a process for the application of key performance indicators to evaluate the alignment of the MA results with some of its objectives and targets, but they do not address all of their aspects.	
				20 - The project documentation does not define any process for the application of key performance indicators to evaluate the alignment of the MA results with its objectives and targets	
		5.2 The MA emissions reduction MRV plan	60%	80 - The project documentation includes procedures and parameters for the MRV of emissions reductions resulting from the MA activities, capable of ensuring the level of uncertainty of the emissions reductions estimated with the methodologies adopted by the MA.	[Score]
				50 - The project documentation includes some procedures and parameters for the MRV of emissions reductions resulting from the MA activities, but it cannot be justified that its implementation will ensure the level of uncertainty of the emissions reductions estimated with the methodologies adopted by the MA.	
				20 - The project documentation does not include any reference to the MA's MRV procedures and parameters	

Module B – Mitigation Activity Participant (MAP)

This assessment area examines and describes the ability of the MAP to design and implement the MA. It covers investment management capabilities, expertise, and evaluation of the management system of the MAP.

Table 15: Management Entity Assessment of MADD

Area	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
1 Mitigation Activity Participant (MAP)	1.1 Legal mandate of the MAP	20%	80 - The mitigation activity participant (MAP) has a clearly defined legal mandate to implement the MA, including a detailed mandate on GHG estimate and MR	[Score]
			50 - The MAP has specific appointment from a superior authority to implement the MA	
			20 - There is no evidence of a legal mandate or specific management appointment from a superior authority	
	1.2 MAP, other relevant stakeholders and MR supporting agencies identified	20%	80 - The entity/es in charge of the design and implementation (mitigation activity participant or MAP) of the MA is clearly specified. A comprehensive list of all relevant stakeholders and measurements and reporting (MR) supporting agencies, if any, for conducting the GHG estimate, and MR activities is provided.	[Score]
			50 - There is ambiguity or inconsistency across the documentation about the MAP. Some of the stakeholders and MR supporting entities are listed, but there are relevant ones for GHG estimate and MR activities that are omitted or not identified yet.	
			20 - Neither the MAP, nor the relevant stakeholders and MR supporting agencies are specified.	
	1.3 Past experience in the management and/or implementation of internationally financed programs	20%	80 - The project documentation addresses past and/or present experience of the MAP in the implementation of internationally financed programs on GHG mitigation, that has contributed to strengthen its managerial and technical capabilities.	[Score]
			50 - The project documentation addresses past experience of the MAP in the implementation of internationally financed activities on GHG mitigation, but there is no evidence that the experience contributed to a permanent strengthening of its capabilities.	
			20 - The project documentation does not address any past or present experience of the MAP in the implementation of internationally financed programs.	

Area	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
	1.4 The MAP technical capability.	40%	80 - The MAP has documented experience in developing this type or similar types of projects. The MAP represents a reputable company with sufficient technical expertise.	[Score]
			50 - The MAP represents a reputable company but has limited or no experience in developing this types or similar types of projects.	
			20 - The MAP has not implemented similar projects and the status of the company as reputable cannot be confirmed	

Module C – Financial Structure

This module assesses robustness of the MA's financial plan design and implementation mechanisms to maximize the MA potential in a cost effective and efficient way, secure the engagement of all relevant financial stakeholders, and deliver costs and benefits among them through a fair and transparent procedure. In particular, the module evaluates the coherence of the financial planning process with the MA features and environment, the inclusiveness of possible financial resources and stakeholders in the financial implementation process, and the efficacy and transparency of the procedures for financial flow monitoring and report.

Table 16: Financial Structure Assessment of MADD

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
1 Financial Coherence	60%	1.1 Costs and profits	25%	80 - The project includes a first approximation to costs and profits allocation for project design, implementation, and operation. Data sources and rationale for their selections are justified and are found to be appropriate.	[Score]
				50 - The project includes a financial analysis with costs and profits. There is no justification of the rationale behind the data used.	
				20 - Just overall figures are provided with no detailed analysis of expected costs and profits allocation per actor.	
		1.2 Financial mechanism(s)	40%	80 - The project documentation identifies a sustainable business model for project design and implementation. It justifies the rationale behind its selection taking into account the project activities and proposed business model and the mechanism (s) selected is found to be appropriate. 50 - The project proposes financial mechanism (s) without justifying its suitability. 20 - There is no reference to how what specific financial mechanism (s) are proposed to be used.	[Score]
		1.3 Financial sources	10%	80 - The project documentation includes a description of the different financial sources required for project design, implementation and execution. The selection of these specific sources is justified and differentiate between private and public sector financing partners. These sources are deemed appropriate in the context of the project activities and implementation planning.	[Score]

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 - 100)
		1.4 Financial sustainability of the MA	25%	50 - The documentation includes a description of the different financial sources required for project design, implementation and execution. Nevertheless, it does not elaborate on the rationale behind the appropriateness of these financial sources.	
				20 - The project proponent provides limited information on the required financial sources, not specifying the needs for all stages of the project (design, implementation, operation) or the financial partners being part of the same.	
				80 - The project documentation describes how the MA is financially sustainable at the medium and long term. It presents a business model supported in sound references and data. The initial financial analysis spread over the lifetime of the project and justifies its viability.	
				50 - The project documentation describes how the MA is financially sustainable at the medium and long term. The initial financial analysis spread over the lifetime of the project and justifies its viability. The project documentation presents a business case with references and hypothesis that can't always be confirmed.	
2 Financial Stakeholders	40%	2.1 Public and private financial stakeholders	15%	20 - The project documentation provides limited information on how the MA can be financially sustainable.	[Score]
				80 - The project documentation identifies to what extend the proposed public sector and private financial stakeholders have firmly committed to be part of the project. This is evidenced by letters of intent, MoU or similar where the amount to contribute and the financial mechanism are identified. Specific financing commitments are named.	
				50 - The project documentation identifies to what extend the proposed public and private financial stakeholders have committed to be part of the project. No evidence is provided to confirm this.	
				20 - The project documentation does not refer to the level of actual commitment of the proposed financial actors.	

Module D – Sustainable Development

This module assesses the MA's contribution to sustainable development, beyond emissions reduction. In particular, the module evaluates the planning, implementation and monitoring aspects of the MA's social, environmental and financial benefits, and assesses how different stakeholders are taken into account in the design or implementation of the MA.

Table 17: Sustainable Development Assessment of MADD

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
1 Sustainable Development Objectives & Targets	20%	1.1 The MA sustainable development objectives and targets	100%	80 - The project documentation elaborates on how the project contributes to sustainable development. It links the project contribution to specific UN Sustainable Development Goals (SDG) and to the country formally stated priorities towards sustainable development.	[Score]
				50 - The project documentation elaborates on how the project contributes to sustainable development. It links the project contribution to specific SDGs targets. There is no evidence on how this is aligned with the country priorities towards SD.	
				20 - The project documentation includes vague references to the contribution to SD.	
2 Impacts evaluation and safeguards	40%	2.1 MA evaluation of environmental impacts, including trans-boundary impacts.	33%	80 - The project documentation elaborates on any regulatory provisions requiring the project to go through any type of environmental impact assessments. If applicable, it specifies the status of such a process and the timeline for completion. It also elaborates on alternatives in case of an initial negative output.	[Score]
				50 - The project documentation does refer to the need for independent environmental impacts assessment. If applicable, it does not state the current status or expected timeline for completion.	
				20 - The project documentation does not refer to the need for environmental impacts assessment.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 – 100)
		2.2 Negative socio-economic impacts assessment	33%	80 - The entity responsible for the project has identified and analyzed potential negative social and economic impacts. These have been quantified, including direct and indirect impacts. A mitigation plan has been developed, including responsibilities and monitoring/evaluation requirements.	[Score]
				50 - The entity responsible for the project has described the potential negative social and economic impacts, with no quantification. A mitigation plan has been developed, including responsibilities and monitoring/evaluation requirements.	
				20 - There is no evaluation of potential negative socio-economic impacts.	
		2.3 Safeguards	33%	80 - The project has established the relevant safeguards and reference any relevant standards which were followed. UNDP's Social and Environmental Screening Procedure (SESP) is used as a reference for safeguards regarding: - Environment - Indigenous people - Social - Relocations - Distribution of carbon revenues	[Score]
				50 - The project documentation refers to safeguards in relevant areas, but it does not refer to any standard used as a reference.	
				20 - There is no reference to safeguards in the project documentation.	
3 Participation	40%	3.1 The MA includes the participation of the relevant stakeholders	35%	80 - The project documentation identifies the key stakeholders to be engaged in participation processes related to the project design and implementation. This initial project documentation of relevant interested parties in complete and includes civil society, jurisdictional authorities, technical and scientific actors, and others as applicable.	[Score]
				50 - The project documentation does identify specific stakeholders. This list is considered to be partial.	
				20 - The project documentation does not refer to how inputs from interested parties are going incorporated in the different project phases.	

Area	Area Weight	Key Indicator (KI)	Indicator Weight	Score Range	KI Score (0 - 100)
		3.2 Participation mechanisms established	35%	80 - The project documentation refers to the participation mechanisms to gather and incorporate inputs from different stakeholders. The activities proposed are taken into account the different phases of project design, implementation and execution. The project documentation reflects inputs already obtained from stakeholders. The consultations done to this point are considered appropriate for the level of development of the project 50 - The project documentation refers to the participation mechanisms, but it does not justify how these are appropriate for the project type, implementation phasing or different stakeholders 20 - The project documentation does not refer to specific participation mechanisms	[Score]

Annex VI – Malawi’s needs and gaps assessment for Article 6 engagement

As part of Malawi’s preparation to participate in Article 6.2 Cooperative approaches, Malawi’s authorities have developed an ITMO transfer readiness gaps and needs assessment to identify required support and activities that the Government of Switzerland, through the United Nations Development Programme (UNDP), can eventually reinforce to contribute to the implementation of robust ITMO projects in the country and the adoption of this Article 6 Framework. Table 21 provides a comprehensive overview of the outcomes of the assessment.

Table 18: Needs and Gaps Assessment for Article 6 Engagement

Key area	Main strengths	Gaps and opportunities
Transparency	- Malawi’s transparency-related provisions currently in place sufficiently meet an important number of requirements to participate in cooperative approaches. - The country’s NDC, its MRV framework, and Malawi’s NDC Implementation Plan and M&E Framework improve the country’s related information needed to track NDC progress.	- Malawi is yet to develop a long-term strategy with a view toward 2050. Such document can send a positive signal of medium and long-term commitments towards climate change. - The country needs to strengthen its national inventory reporting, as the 2017 NGHGI reported in the NC3 and BUR1 of 2021 were past the recommended update cycle (at least every two years). - Malawi will need to develop Article 6 reporting processes for the UNFCCC in order to incorporate the Enhanced Transparency Framework (i.e., Initial Report, and BTR information).
Avoidance of double counting	Malawi has established a central authority for mitigation activities, the National Steering Committee on Climate Change (NSCCC), leading NDC management and quantification, as well as setting up an indicative emissions trajectory that can support the double-counting process.	- Currently, Malawi has a lack of reporting infrastructure for tracking mitigation outcomes intended to be internationally transferred under Article 6 (ITMOs). - Furthermore, the country will need to establish provisions for the application of corresponding adjustments at the inventory accounting whenever an MO is transferred.

Key area	Main strengths	Gaps and opportunities
Alignment of MO activities with the country's NDC	- Malawi has defined unconditional and conditional NDC targets, noting that conditional targets may be achieved through carbon markets and the market-based approaches of Article 6. - Furthermore, the country has in place governance structures for the planning, development and accounting of the NDC targets and mitigation activities. - Lastly, Malawi's NDC has sufficient quantifiable information on points of information such as the reference year, reference indicators, data sources, methodologies, NDC's scope of coverage and NDC implementation timeframes.	- Malawi has yet to specify the institutional arrangements that support the quantification and accounting of MOs as well as Article 6 operationalization. - Moreover, there needs to be a more detailed identification of authorities and responsibilities for the planning, implementation and periodic update of the NDC.
Environmental integrity (EI)	- Malawi has established processes in place that ensure environmental integrity as it comes to NDC targets and ambition are in place. - Additionally, methodologies for NDC quantification following IPCC guidelines are in place.	- Malawi has yet to develop Article-6-specific provisions for the accounting and quantification of MOs (i.e., application of corresponding adjustments, development of a registry for MO tracking and purpose-built procedures for MO quantification). - Furthermore, no information was found on how reference points, which support accounting and environmental integrity, are to be updated.

Annex VII – Definition of terms in alphabetical order

Table 22 presents the definition of terms in alphabetical order utilized within Malawi's Article 6 Framework.

Table 19: Definition of Terms in Alphabetical Order

Terms	Definition
Account	Any digital record within Malawi's Carbon Registry System (MCRS) that will be used to record the issue, holding, transfer, acquisition, and cancellation of MOs.
Acquiring participating Party	Paris Agreement Party or a non-state party within the Paris Agreement Party that intends to voluntarily engage in Article 6.2 cooperative approaches as a transferring or acquiring country
Additionality	Prove that activities of the Mitigation Activity result in emission reductions or removals that are above the level what would have happened in the absence of the project (under "business as usual" scenario).
Approval	Parties may establish an Art. 6.2 activity approval process, also called pre-authorization or ex-ante authorization in which an internal review of design documentation or even an independent validation of the design by an independent entity is conducted before approval.
Article 6	Article 6 of the Paris Agreement recognizes that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions (NDC) to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.
Article 6.2 Administrative Fee	A one-time payment that will take into consideration the estimated effort in person-days per task by Malawi's Environmental Affairs Department personnel and other Article 6.2 dedicated entities. The fee shall be paid by all MAPs every time a MADD is uploaded into the MAP's Registry account in Malawi's Carbon Registry System (MCRS)
Article 6.2 Guidance	Relevant decisions from the CMA in regard to cooperative approaches as referred to in Article 6.2 of the Paris Agreement.
Article 6.2 Initial Report	A report (referred to as AIR) is prepared for submission to the Paris Agreement before authorizing MOs by an Article 6.2 participating Party in compliance with Chapter IV.A paragraphs 18 and 19 of Decision 2/CMA.3.
Article 6.2 Letter of Authorization	Also referred to as A6.2LOA, a letter provided by the Environmental Affairs Department on request by the MAP, once the validation report has received a positive review by the Environmental Affairs Department and the MAP comply with the needed requirements. Each A6.2LOA is specific to a particular Mitigation Activity and specifies the amount of MOs that are authorized for transfer towards the achievement of NDC of the acquiring participating Party and/or authorized for use for Other International Mitigation Purposes (OIMPs) under Article 6.2.

CARBON MARKET FRAMEWORK

Terms	Definition
Article 6.2 Letter of Authorization	Also referred to as A6.4LOA, a letter provided by the Environmental Affairs Department once the validation report has received a positive review by the accredited UNFCCC DOE. Each A6.4LOA is specific to a particular Mitigation Activity and specifies the amount of MOs that are authorized for transfer towards the achievement of NDC of the acquiring participating Party and/or authorized for use for Other International Mitigation Purposes (OIMPs) under Article 6.2. The A6.4LOA may also indicate a potential renewal of the Mitigation Activity's crediting period.
Authorization	In accordance with Article 6, paragraph 3 of the Paris Agreement, the use of ITMOs to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.
Authorizing Entity	The Ministry of Natural Resources and Climate Change (MNRCC) was designated under this framework as the authority to recognize the eligibility of mitigation activities, authorize MOs, and ensure compliance with international standards and shall host the Environmental Affairs Department. The functions of the MNRCC are described in Table 1.
Baseline	See the definitions of "baseline scenario" and "baseline emissions".
Baseline and monitoring methodology	A methodology for a Mitigation Activity comprising two related parts: a baseline methodology and a monitoring methodology. See also the definitions of "baseline methodology" and "monitoring methodology".
Baseline emissions	The GHG emissions that would occur in the baseline scenario.
Baseline methodology	A methodology applied to establish a baseline scenario for a Mitigation Activity, which constitutes one part of a baseline and monitoring methodology.
Baseline net GHG removals by sinks	The sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of Mitigation Activity.
Baseline scenario	The scenario for the Mitigation Activity that reasonably represents the anthropogenic emissions by sources or the sum of the changes in carbon stocks in the carbon pools within the project boundary of GHGs that would occur in its absence.
Biennial Transparency Report	Transparency-oriented report that is to be produced counties every two years and submitted to the UNFCCC in compliance with Decision 18/CMA.1.
Buffer Fee	Non-monetary fee to all Mitigation Activities that have been authorized and verified by an independent VVB, consisting of MOs retention from an implemented Mitigation Activity, into Malawi's National Buffer Account.
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

Terms	Definition
Cooperative Approach	Cooperative relationship and set of commercial transactions between Malawi and an acquiring participating Party involving the transfer of Internationally Transferred MOs through a bilateral agreement under Article 6.2. They are intended to provide financial incentives designed to encourage investments into an emission reduction activity, de-risk the financing of mitigation activities and enable projects to get up and running. Such an approach will allow both countries to make progress on their respective international commitments to the Paris Agreement, accelerating its implementation.
Corresponding Adjustment	Also referred to as CA, it means that a host Party transfers an MO to be counted toward the acquiring participating Party's objectives, the credits generated from the Mitigation Activity shall be deducted by the host Party to avoid double-counting.
Crediting period	The period in which verified and certified GHG emission reductions or net anthropogenic GHG removals by sinks attributable to a mitigation activity, as applicable, can result in the issuance of MOs, as applicable, from that mitigation activity. The time period that applies to a crediting period for a mitigation activity, and whether the crediting period is renewable or fixed, is determined in the cooperative approach.
Eligible NDC sectors and activities for development under Article 6.2 and Article 6.4	These activities or technologies are part of the conditional mitigation programs of action in Malawi's updated NDCs. These activities demonstrate technical and financial additionality.
Emission Balance	It is the overall difference between the estimated greenhouse gas emissions produced and the emissions reduction achieved or taken out of the atmosphere.
Entities	Local or international companies or businesses that provide services to participants engaged in a Mitigation activity, encompassing tasks such as sourcing activities, conducting feasibility assessment, activity development, validation, and verification. These services also extend to providing financial support and monitoring services.
Environmental Integrity	Ensuring that engagement in Article 6.2 cooperative approach involving the authorization and transfer MOs to an acquiring participating Party leads to a decrease in global GHG emissions as compared to business-as-usual scenarios but does not result in additional increases in the global emission reduction targets.
First Transfer	As stated under section I, paragraph 2 (a-b) of the Annex to Decision 2/CMA.3, a first transfer is: For a mitigation outcome authorized by a participating Party for use towards the achievement of an NDC or for the first international transfer of the mitigation outcome. For a mitigation outcome authorized by a participating Party for use for other international mitigation purposes, either the authorization, the issuance or the use or cancellation of the mitigation outcome, as specified by the participating Party.

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Terms	Definition
Greenhouse Gas	Also referred as GHG, any carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and any other halocarbons subject to the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories as published by and updated from time to time by the IPCC. When the update leads to changes in the Global Warming Potential (GWP) and is adopted by the UNFCCC, new activity developers will use the revised published GWP.
Host Party/ Country or Selling/ Transferring Country	Country where the Mitigation Activity is implemented, and the MOs generated from it are authorized for transfer to an acquiring participating Party.
International Crediting Standard	An internationally recognized set of certification rules and requirements to enable validation and verification of mitigation outcomes generated by an activity, including CDM, Gold Standard, Verra, ISO-14064, or other standards that the parties agree on, is an applicable standard.
International registry	The registry that shall be implemented by the UNFCCC Secretariat for Parties that do not have access to a national registry.
Internationally Transferred Mitigation Outcomes	A real, additional, and verified reduction in GHG emissions or removal of GHGs from the atmosphere, measured in tCO ₂ eq and representing one tCO ₂ eq per methodologies approved under the Paris Agreement Rules and generated by a specific Mitigation Activity from 2021 onwards.
Issuance	The issuance by Malawi's Environmental Affairs Department of a specified quantity of mitigation outcomes in the form of a unit or other uniquely identifiable unit of measure into the in the MAP's account on Malawi's Carbon Registry System (MCRS).
MO Issuance Fee	Fee applied to any MAPs seeking to request MO issuance from the Environmental Affairs Department through the submission of the MO Issuance Request form. The fee shall be paid based on total units of issued MOs.
Leakage	The net change of anthropogenic emissions by sources of GHGs which occurs outside the project boundary, and which is measurable and attributable to the Mitigation Activity, as applicable; or the increase in GHG emissions by sources or decrease in carbon stock in carbon pools which occurs outside the boundary of the Mitigation Activity, as applicable, which is measurable and attributable to it.
Letter of No Objection	Letter provided by the Environmental Affairs Department once the submitted documentation has been reviewed and the Mitigation Activity's eligibility has been positively assessed. This letter shall not constitute an Authorization of the intended Mitigation Activity.
Malawi's Carbon Registry System (MCRS)	An online system that hosts mitigation activities is accepted and approved under this framework. It can facilitate listing and registering mitigation activities and VCM projects, provide records of all MOs activities, MOs issued and ITMO transfers, and provide public access to all Mitigation Activities' information.
Methodology	Methodologies, tools, methodological guidelines or protocols used to quantify the mitigation outcomes generated by the mitigation activity approved under any international crediting standard listed by the Environmental Affairs Department.
Mitigation Activity	Projects or programs that are implemented to generate mitigation outcomes.

CARBON MARKET FRAMEWORK

Terms	Definition
Mitigation Activity Design Document	Also referred to as MADD, it is a detailed documentation describing the mitigation activity in line with the international crediting standards under which the mitigation activity has been developed.
Mitigation Activity Identification Number	Also referred to as MA-ID, it is an exclusive number created and assigned to a Mitigation Activity in Malawi's Carbon Registry System (MCRS) on the respective account of a MAP.
Mitigation Activity Participant	Any legal entity who is engaged in a Mitigation Activity that results in the reduction or avoidance of greenhouse gas emissions. This can include private companies, public entities and/or non-governmental organizations. This definition specifically excludes individuals who are not representing a legal entity.
Mitigation Activity Participant Identification Number	Also referred to as MAP-ID, it is an exclusive serial number created and assigned to a MAP seeking to open and operate an account on Malawi's Carbon Registry System (MCRS).
Monitoring	Collecting and archiving all data necessary for determining the baseline, and for measuring anthropogenic emissions by sources of GHGs within the project boundary, and leakage, as applicable; or collecting and archiving all data necessary for estimating or measuring the net anthropogenic GHG removals by sinks.
Monitoring methodology	The methodology used for monitoring a Mitigation Activity which constitutes one part of a baseline and monitoring methodology.
Monitoring plan	The plan which sets out the methodology to be used by the MAP for the monitoring of, and by VVBs for verification of, the amount of GHG emission reductions or net anthropogenic GHG removals by sinks achieved by a Mitigation Activity, as applicable.
Monitoring report	A report prepared by a project participant which sets out the GHG emission reductions or net anthropogenic GHG removals by sinks of an implemented authorized Mitigation Activity for a particular monitoring period.
Monitoring, reporting and verification (MRV)	MRV Systems are intended to prove that the claimed benefit of emission avoidance or removal has occurred in order to issue an MO with monetary value.
National Buffer Account	Also referred to as NBA, is a country-managed account within Malawi's Carbon Registry System (MCRS) to retain MOs collected from charging the Buffer Fee at the point of transferring MOs to an acquiring participating Party.
Nationally Determined Contribution	The Nationally Determined Contribution of a Paris Agreement Party, as prepared, communicated and maintained from time to time per Article 4.2 of the Paris Agreement and Decision 4/CMA.1.
NDC Period	The year within which a specific NDC is implemented. In the case of Malawi, the NDC implementation period spans from 1 January 2020 to 31st December 2040.
Negative list	The list of unconditional NDC mitigation measures that are not eligible to generate MOs for authorization and transfer.

CARBON MARKET FRAMEWORK

Terms	Definition
Net anthropogenic GHG removals by sinks	Actual net GHG removals by sinks minus the baseline net GHG removals by sinks minus leakage.
Non-Greenhouse Gas	Also referred as non-GHG, they are mitigation contributions determined by participating Parties that are consistent with the NDCs of the participating Parties and are not directly related to gas emissions to the atmosphere (e.g., energy efficiency, renewable energy, forest cover targets or policy actions), either as standalone contributions or in addition to GHG. Each participating Party with an NDC measured in non-GHG metrics determined by the participating Parties engaging in a cooperative approach involving MOs traded in the same non-GHG metric shall apply corresponding adjustments in a buffer registry by applying an addition to and subtraction from the annual level of the relevant non-GHG indicator used by the Party to track progress towards the implementation and achievement of its NDC
Other International Mitigation Purposes	Also referred to as OIMP, they are mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC or authorized for other purposes as determined by the first transferring participating Party; as stated under section I, paragraph 1 (f) of the Annex to Decision 2/CMA.3.
Overall Mitigation in Global Emission	Also referred to as OMGE, it is the reductions in global GHG emissions through carbon markets when the buying or selling Party does not use the MOs to achieve its own NDC or for other international mitigation goals.
Paris Agreement	Legally binding international treaty on climate change, adopted by the parties to the UNFCCC at its 21 st meeting in Paris and reflected in Decision 1/CP.21.
Paris Agreement Party	A country that is a signatory to the Paris Agreement and has deposited its instrument of ratification, acceptance, approval, or accession to the Secretary-General of the United Nations in the capacity of the depository of the Paris Agreement.
Permanence	Represents how long carbon is stored or tied up for and what its risk of reversal is.
Positive Examination	Determination by Malawi that the MOs generated have been verified and deemed compliant with the sustainable development requirements for each mitigation activity.
Secretariat	The secretariat to the UNFCCC is appointed at the secretariat to the CMA according to Article 17 of the Paris Agreement.
Share of Proceeds	Also referred to as SOP, is the contribution to adaptation and its modalities agreed to by Malawi and the acquiring participating Party
Sink	Any process, activity, or mechanism that removes a GHG, an aerosol, or a GHG precursor from the atmosphere.
tCO₂eq	An amount of carbon dioxide emission measured in metric tons would cause the same integrated radiative forcing or temperature change, over a given time horizon, as an emitted amount of a GHG or a mixture of GHGs.
UNFCCC	United Nations Framework Convention on Climate Change is the parent treaty of the Paris Agreement.

Terms	Definition
Updated Initial Report	Also referred to as UIR, an update of the AIR occasioned by additional authorization of MOs under the cooperative approach in compliance with 18/CMA.1 Chapter IV.A paragraph 19. The UIR will be included in the centralized accounting and reporting platform referred to in chapter VI.C (Centralized accounting and reporting platform) by the UNFCCC Secretariat.
Validation	Validation per the Paris Agreement Rules and/or the rules of a Crediting Standard by a Validator that a Mitigation Activity meets the criteria set by the Crediting Standard and includes the process of independent evaluation of a Mitigation Activity Design Document per those rules. Validation has a corresponding meaning.
Validation Report	A written report prepared and issued by the Validator in respect of the Validation conducted, per the requirements of the Paris Agreement Rules and/or the rules of an International Crediting Standard.
Validator	An organization or body designated by mutual agreement of the Parties and accredited or recognized under the Paris Agreement Rules and/or the rules of a Crediting Standard to carry out Validation of the Mitigation Activities according to those rules.
Verification	The periodic review and ex-post determination of a Verifier following the Paris Agreement Rules and/or the rules of an International Crediting Standard of the amount of Mitigation Outcome achieved by the Mitigation Activity in each monitoring period.
Verification Report	A written report prepared and issued by the Verifier in respect of the Verification conducted, per the requirements of the Paris Agreement Rules and/or the rules of an International Crediting Standard.
Verifier	An organization or body designated by mutual agreement of the Parties and accredited or recognized under the Paris Agreement Rules and/or the rules of a Crediting Standard and Methodology to carry out Verification of Mitigation Activities.

Ministry of Natural Resources and Climate Change
ENVIRONMENTAL AFFAIRS DEPARTMENT