

The PACM as quality benchmark for the European context

ECS 2026, Side Event 2

Tuesday 14 April, 15:15-16:15

Supported by the “Mobilizing the Article 6.4 Pipeline” project

27 April 2026



Welcome

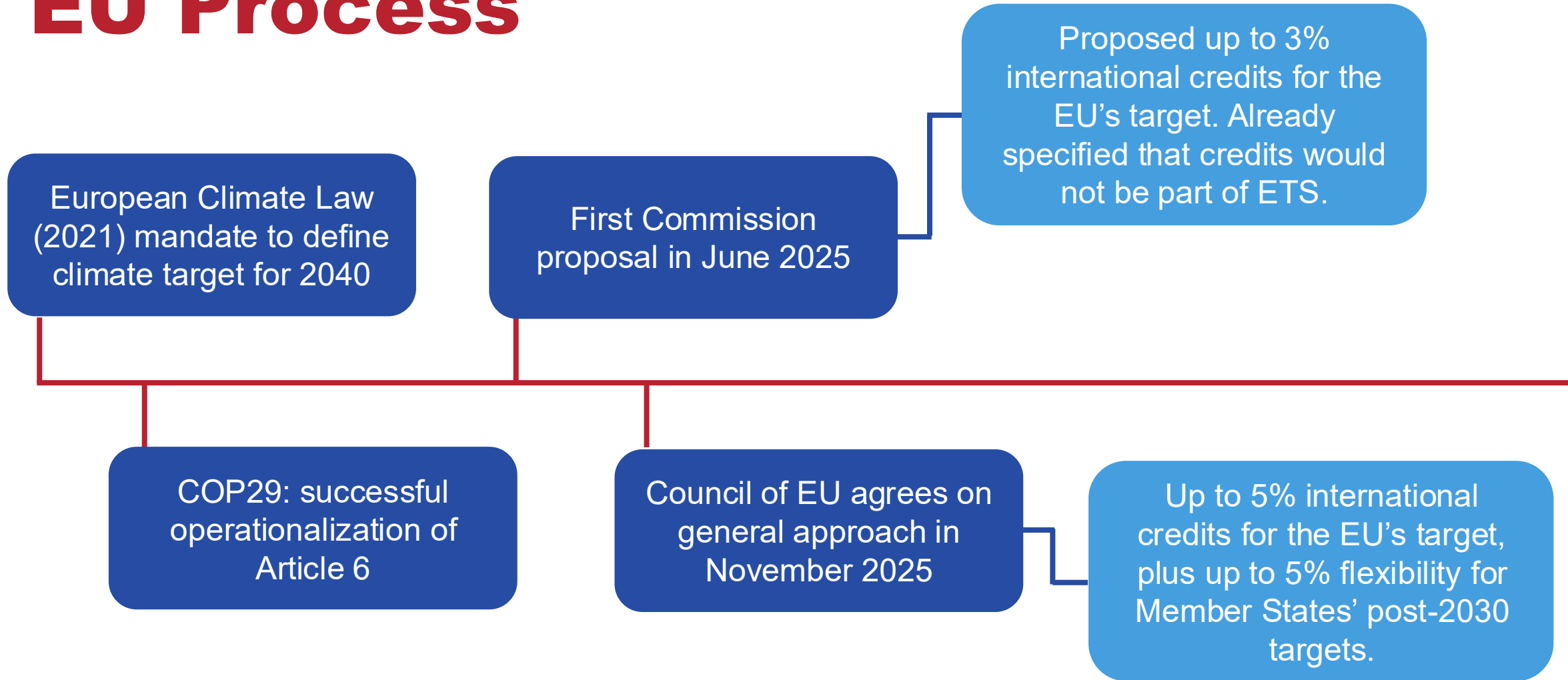
Moderator: Tobias Hunzai (Senior Associate Consultant)



The road to high integrity – in the EU and in the PACM

Anna Kovács (Senior Consultant, Climate Focus)

EU Process



EU Process

Political agreement in Trilogue negotiations reached in December 2025

In 2026: Commission expected to develop an implementation package, including rules for the use of international credits

Current work: impact assessment, incl. public consultation

March 2026: Legislative amendment officially adopted, entry into force on April 7

2026-2027

- Defining “high integrity”, select credit categories, define country priorities, develop procurement architecture

2028-2030

- Finalizing implementation
- Article 6 negotiations at UNFCCC - potential adaptations

2031-2035

- Pilot period, first procurement, price signals clarify

2036-2040

- Full operation

PACM operationalization

1,140

Projects in the pipeline
(prior consideration
notifications)

21

Fully transitioned CDM
activities, 1 PoA already
requesting issuance

153

Additional CDM
activities in the process
of transition

125

Designated National
Authorities

49

Host Country
Participation Forms

1st issuance

Clean cooking program
in Myanmar (Feb 2026)

PACM operationalization

Substantive standards & procedures

- Activity standards and procedures for projects and PoAs
- Requirements for mechanism methodologies
- Addressing suppressed demand
- Demonstrating additionality
- Requirements for activities involving removals
- Setting baselines in PACM methodologies
- SD Tool
- Grievance procedures

PACM registry

- Procedures for the registry in place
- Interim registry in place
- Full registry under development, MVP ready

Methodologies

- AMM-001 Flaring or use of landfill gas
- Methodological tools under development

LinkedIn poll

Should the EU use the PACM as its quality benchmark for high integrity carbon credits?

Yes, it's the right approach	38%
Yes, with added EU safeguards	31%
Yes, but others also qualify	19%
No, EU should set own criteria	12%

Requirements for international credits in the Amended Climate Law

“High-quality and high-integrity” international credits under Article 6

Up to 5% of 1990 Union net emissions

May consider a pilot period from 2031 to 2035

Credible and transformative activities in partner countries

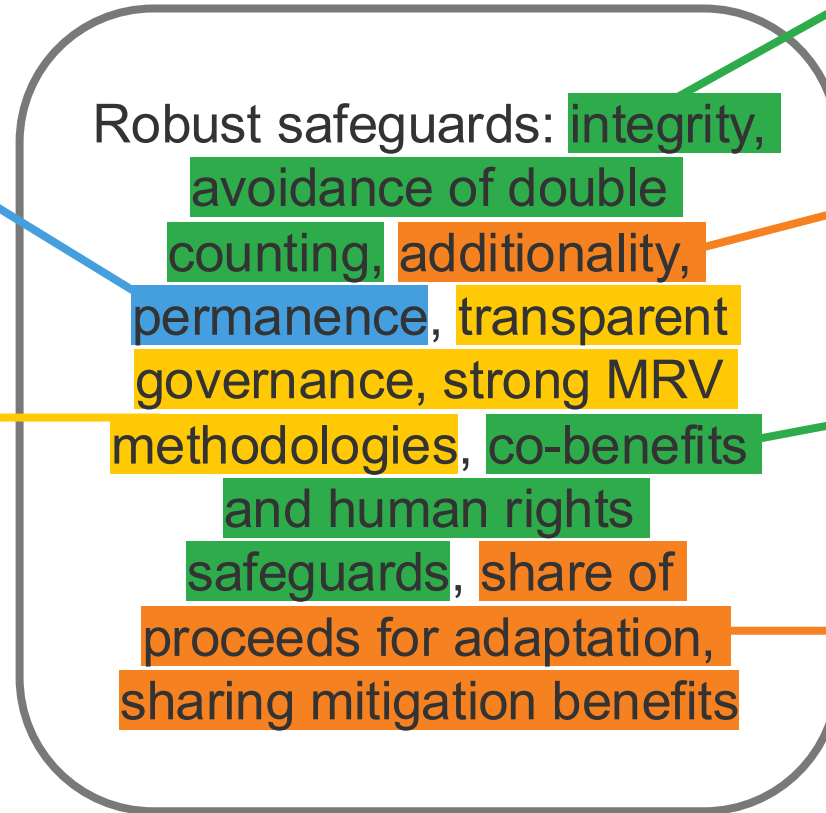
Robust safeguards: integrity, avoidance of double counting, additionality, permanence, transparent governance, strong MRV methodologies, co-benefits and human rights safeguards, share of proceeds for adaptation, sharing mitigation benefits

Commission shall consider complementing the criteria under Article 6(4) of the Paris Agreement – Paris Agreement Crediting Mechanism (PACM)

EU requirements vs. PACM operationalization

Standard on non-permanence and reversals

Governance and transparency requirements in activity standards & PDD templates



Safeguards against double use, counting, and claiming in activity standards

Standard on additionality

SD Tool, incl ESS & SD impact assessment, monitoring, co-benefits

Rules on share of proceeds finalized at COP29

EU requirements vs. PACM operationalization

39 products on methodologies in SBM's 2026 work plan PACM methodologies expected to develop and mature on a rolling basis

PACM registry under development

Robust safeguards: integrity, avoidance of double counting, additionality, permanence, transparent governance, strong MRV methodologies, co-benefits and human rights safeguards, share of proceeds for adaptation, sharing mitigation benefits

Revising old & new PACM methodologies

Methodological tools to implement standards: lock-in risk, reversal risk assessment, fNRB, activity-specific leakage calculations, large-scale crediting programs, transboundary activities...

No common understanding of “integrity”

Oxford Principles
for Responsible
Engagement with
Article 6

ICVCM Core Carbon
Principles

VCMI Claims Code
of Practice

African Principles for
Equity and Integrity
in Carbon Markets of
the African Union

The EU’s
definition?

Dimensions of “high integrity”

Crediting program	Activity level	Host country	EU level
<ul style="list-style-type: none">• Activity types• Methodology & activity design• MRV• ESS & SD indicators	<ul style="list-style-type: none">• Activity type• Methodology, activity design• Co-benefits (environmental and social, SD)• MRV	<ul style="list-style-type: none">• Operationalization of Article 6• NDC Alignment• Authorization• No double counting• Readiness and enabling environment	<ul style="list-style-type: none">• Complementary or additional standards, requirements, proposals?• Own requirements?

Panel & Discussion



Kristian Brüning
Co-Founder and Director
UpEnergy



Stefano De Clara
Head of Secretariat
ICAP



Pedro Martins Barata
Member, Governing Board
ICVCM



Sergi Cuadrat
Managing Director for
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