

Paris Agreement's First Carbon Credit Project

Prelims: Current events of national and international importance | Environment

Why in News?

At least 130 civil society organisations urged the UN's Paris Agreement Crediting Mechanism (PACM) Supervisory Body to suspend carbon credits linked to a cookstove project in Myanmar.

Cookstove project

- The project became the first to receive carbon credits under Article 6.4 of the Paris Agreement in February 2026.
- **Managed by** - Climate Change Center (CCC) in South Korea.
- **Primary activity** - It involves distributing fuel-efficient Envirofit M5000 cookstoves to households in Myanmar.
- **Aim** - To achieve more than a 50% reduction in household firewood consumption.
- **Expected outcomes**
 - A reduction in greenhouse gas emissions,
 - Lower pressure on local fuelwood resources, and
 - Reduced household fuel consumption.
- **Distribution of Carbon Credits**
 - Carbon credits authorized for use in South Korea may be transferred to Korean entities to fulfill emissions trading system obligations.
 - Myanmar will utilize the remaining credits to achieve its national climate commitments.
- **Major Concerns Raised by Civil Society Groups**
 - **Environmental Integrity** - Possible overestimation of emission reductions and carbon credits.
 - **Independent Verification** - Concerns over limited, remote-only verification and inadequate stakeholder representation.
 - **Human Rights and Governance** - Questions regarding project oversight, independence, and governance amid political instability.
 - **Gender and Community Participation** - Insufficient inclusion of women's perspectives and weak household-level monitoring.

- It establishes a United Nations-supervised carbon crediting mechanism within the framework of the Paris Agreement.
- This mechanism enables projects that reduce or remove greenhouse gas emissions to generate carbon credits.
- These credits may be transferred internationally, provided that all relevant rules and authorisations are observed.
- The mechanism is intended to support emission reductions and contribute to the achievement of national climate commitments.
- The rules governing this mechanism were further developed at COP29, held in Baku, Azerbaijan, in 2024.

Article 6 of the Paris Agreement

deals with **international cooperation** to achieve climate goals.



Provision

Key feature

Article 6.2



Cooperative approaches involving **internationally transferred mitigation outcomes (ITMOs)**.

Article 6.4



UN-supervised carbon crediting mechanism.

Article 6.8



Non-market approaches to climate cooperation.

Clean Development Mechanism (CDM) vs Article 6.4		
Feature	Clean Development Mechanism (CDM)	Article 6.4 mechanism
 Legal framework	Kyoto Protocol 	Paris Agreement 
 Main purpose	Generate credits from emission-reduction projects 	Generate credits under a UN-supervised mechanism 
 Country context	Primarily enabled projects in developing countries for use by eligible buyers 	Operates within the Paris Agreement framework, including national climate commitments 
 Current relevance	Earlier mechanism; its projects and transition are subject to applicable rules 	New mechanism under which the Myanmar project received credits in 2026 

Reference

[Down To Earth | Paris Agreement’s First Carbon Credit Project](#)