

METHODOLOGY OVERVIEW

LoA Risk Score

How AlliedOffsets assesses revocation and non-delivery risk for Article 6 Letters of Authorization

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Overview

The LoA Risk Score assesses the risk that credits authorized under an Article 6 Letter of Authorization (LoA) might not deliver their intended compliance value, with a focus on credits used under CORSIA. The key risk is that an authorization is revoked, or that the host country never applies the corresponding adjustment. In either case the same emission reduction could be claimed twice. Each project receives a composite score and a letter grade, from AA (lowest risk) down to Below D (highest risk).

Data Sources

Source type	How it is used
Letters of Authorization	Publicly available LoA documents, reviewed for the key terms that make an authorization robust.
UNFCCC reporting	Host-country Article 6 reports and corresponding adjustment submissions.
Registry rules and guidance	Published registry policies on CORSIA eligibility and revocation.
AlliedOffsets country research	AlliedOffsets' assessment of each host country's carbon market and Article 6 regulatory framework.

Our Approach

1	Assess the authorization document Each LoA is reviewed for the terms that make it a robust legal instrument, such as clear authorization periods and volumes, defined first transfer and revocation procedures.
2	Assess host-country readiness The maturity of the host country's climate and carbon market framework, and its track record of Article 6 reporting, are evaluated.
3	Assess registry safeguards Projects are assessed on whether their registry publishes clear requirements and guidance that reduce revocation and non-delivery risk for buyers.

4	Combine and grade The three assessments are combined into a single score and mapped to a letter grade.
5	Recognize confirmed adjustments Projects whose corresponding adjustments have been formally applied by the host country receive the top grade, because the main double-counting risk has been resolved.

Key Principles

Document, country and registry	Risk is assessed at three levels: the authorization itself, the host country and the registry.
Reporting track record	A host country's history of Article 6 reporting to the UNFCCC is treated as an important sign it will follow through on corresponding adjustments.
Evidence overrides inference	Confirmed corresponding adjustments take precedence over all indicator-based assessments.

Quality Assurance

- All projects are rescored on each update.
- Projects with incomplete information are flagged for analyst review rather than graded on partial evidence.

Interpreting the Results

- A higher grade indicates lower assessed risk of revocation or non-delivery. It is not a guarantee.
- The score complements, rather than replaces, buyer due diligence.

Limitations

- The score assesses whether key terms are present in an LoA, not how legally enforceable they are.
- Country and registry assessments reflect the latest review and may lag fast-moving policy developments.
- Only projects with a formal project-level LoA are covered.
- Insurance and project-specific delivery risk are outside scope.

WHAT YOU GET

For each Article 6 LoA project, a total LoA Risk Score, a letter grade from AA to Below D, and the underlying document, country and registry assessments.