

DRAFT TEXT
on
CMA 6 agenda item 15(b)
Rules, modalities and procedures for the mechanism established by
Article 6, paragraph 4, of the Paris Agreement

Version 19/11/2024 23:30

Draft decision -/CMA.6

**Further guidance on the mechanism established by Article 6,
paragraph 4, of the Paris Agreement**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the aims referred to therein,

Also recalling Article 6, paragraph 1, of the Paris Agreement,

Further recalling the eleventh preambular paragraph of the Paris Agreement, according to which, 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,

Recalling decision 3/CMA.3 and its annex and decision 7/CMA.4 and its annexes,

Also recalling decision 2/CMA.3, annex, paragraphs 1(g) and 2,

**I. Operation of the mechanism established by Article 6,
paragraph 4, of the Paris Agreement**

1. *Requests* the Supervisory Body for the mechanism established by Article¹ 6, paragraph 4, and the secretariat to ensure that adequate technical and scientific expertise is available to support their work on methodologies, removals and related operational elements;
2. *Also requests* the Supervisory Body to engage, in consultation with interested stakeholders, further independent scientific and technical expertise and include knowledge, sciences and practices of Indigenous Peoples, as relevant to support its work, including through its expert panels, to review proposals as necessary and receive independent scientific and technical advice;
3. *Further requests* the secretariat to strengthen and reinforce its capacity to support the Supervisory Body, particularly in their work related to standard setting and methodological matters;
4. *Urges* the Supervisory Body and the secretariat to expedite the establishment of the mechanism registry and the relevant procedures therefor;
5. *Requests* the Supervisory Body, while ensuring on-going continuous improvements to reflect best available science, to strive to ensure regulatory stability by avoiding frequent substantive revisions to its adopted standards, tools and procedures;
6. *Also requests* the Chair and the Vice-Chair of the Supervisory Body to orally report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

¹ All Articles referred to in this decision are Articles of the Paris Agreement.

at each of its sessions on the Supervisory Body's progress in implementing its work during the calendar year based on its mandates;

II. Methodologies under the mechanism established by Article 6, paragraph 4, of the Paris Agreement

7. Noting that the Supervisory Body has already developed its preliminary workplan for 2025, *encourages* the Supervisory Body to expedite its work on:

(a) Further standards, tools and guidelines relating to baselines, standardized baselines, downward adjustment, additionality, leakage, suppressed demand and large-scale crediting, including those that are jurisdictional, sectoral and/or policy-based in nature;

(b) Further guidance on the issues related to activities with a risk of reversal, including both removals and emission reduction activities, such as:

- (i) Post-crediting period monitoring;
- (ii) Durability of storage over climate-relevant time frames;
- (iii) Avoidable and unavoidable reversals and incentives to maintain removals;
- (iv) "Like-for-like" replacement for remediation;
- (v) Independent reversal risk assessments;
- (vi) Potential for shared responsibilities for reversal remediation;
- (vii) Alternative remediation measures;

8. *Requests* the Supervisory Body, recalling decision 3/CMA.3, paragraph 5(b)(i), to accelerate the revision of the baseline and monitoring methodologies in use for the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol with a view to applying them with revisions, as appropriate, pursuant to decision 3/CMA.3, annex, chapter V.B (Methodologies), for activities under the mechanism established by Article 6, paragraph 4;

III. Authorization of Article 6, paragraph 4, emission reductions

9. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the mechanism registry administrator shall, at the time of issuance of A6.4ERs, assign their authorization status in accordance with the statement by the host Party provided to the Supervisory Body pursuant to decision 3/CMA.3, annex, paragraph 42, and *encourages* the host Party to provide to the Supervisory Body the statement of authorization of A6.4ERs as early as possible;

10. *Clarifies* that the statement referred to in paragraph 9 above shall contain information, which may be included as part of the approval of the Article 6, paragraph 4, activity by the host Party, on whether it:

(a) Authorizes, in full or in part, the A6.4ERs to be issued for the underlying activity for use towards achievement of NDCs and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);

(b) Does not authorize any A6.4ERs to be issued for the underlying activity for use towards achievement of NDCs and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);

(c) Allows mitigation contribution A6.4ERs to be issued for the underlying activity, while noting that the host Party may authorize the A6.4ERs at a later stage subject to the provisions referred to in paragraph 11 below;

11. *Decides* that the host Party may authorize, for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, annex, paragraph 1(d) and (f), mitigation contribution A6.4ERs already issued by providing to the Supervisory Body a statement of authorization prior to any transfer

of the mitigation contribution A6.4ERs in or out of the mechanism registry and applying the requirements for corresponding adjustments with respect to the corresponding mitigation contribution A6.4ERs already forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39, and cancelled to deliver overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40;

12. *Requests* the secretariat, with the approval of the Supervisory Body, to establish the necessary guidelines for operationalizing the process referred to in paragraph 11 above, ensuring that:

(a) Respective mitigation contribution A6.4ERs are still held by the mitigation activity participants and have not been transferred in or out of the mechanism registry;

(b) Corresponding adjustments pursuant to decision 2/CMA.3, annex, chapter III (Corresponding adjustments), are applied by the host Party as if the authorization had been provided prior to issuance;

(c) Respective shares of proceeds for adaptation received by the Adaptation Fund pursuant to decision 3/CMA.3, annex, chapter VII (Levy of share of proceeds for adaptation and administrative expenses), are comprised of authorized A6.4ERs rather than of mitigation contribution A6.4ERs;

13. *Also requests* the secretariat to develop a template for the statement referred to in paragraph 9 above, to include the relevant applicable elements contained in paragraph X of decision -/CMA.6² in order to enable the identification of authorized A6.4ERs in the mechanism registry;

IV. Article 6, paragraph 4, mechanism registry

14. *Takes note* of chapter XI A, paragraphs X–X of decision -/CMA.6;³

15. *Decides* that participating Party registries referred to in decision 2/CMA.3, annex, paragraph 29, may voluntarily connect to the Article 6.4 mechanism registry, and the connection shall enable the transfer of authorized A6.4ERs, consistent with decision 6/CMA.4, annex I, chapter I.B, paragraphs 9–10, while ensuring avoidance of double counting consistent with decision 6/CMA.4, annex I, paragraph 18, and the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs;

16. *Requests* the secretariat to implement the mechanism registry in a manner that will make the registry available for use by all Parties participating in the Article 6, paragraph 4 mechanism;

V. Special circumstances of Least Developed Countries and small island developing States with respect to share of proceeds for adaptation

17. *Notes* the annual reports of the Supervisory Body for 2023⁴ and 2024,⁵ in which it is recommended that Article 6, paragraph 4, activities in the least developed countries be exempted from the share of proceeds for adaptation, while recognizing that the LDCs may choose not to make use of this exemption;

18. *Decides* to exempt Article 6, paragraph 4, activities in the least developed countries and small island developing States from the share of proceeds for adaptation, while acknowledging that the least developed countries and small island developing States may choose not to make use of this exemption;

² Draft decision entitled “[Y]” proposed under agenda item [Z] of the [body] at its [X] session.

³ Draft decision entitled “[Y]” proposed under agenda item [Z] of the [body] at its [X] session.

⁴ FCCC/PA/CMA/2023/15 and Add.1.

⁵ FCCC/PA/CMA/2024/2 and Add.1.

VI. Transition of clean development mechanism activities

19. *Decides* that afforestation and reforestation project activities and programmes of activities registered under the clean development mechanism may transition to the mechanism established by Article 6, paragraph 4, and be registered as Article 6, paragraph 4, activities subject to the following conditions being met:

(a) The request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities (PoA) being made to the secretariat and to the designated national authority (DNA) for the mechanism established by Article 6, paragraph 4, of the clean development mechanism host Party by or on behalf of the project participants of a registered afforestation and reforestation CDM project activity or by or on behalf of the coordinating/managing entity of a registered CDM afforestation and reforestation PoA by no later than 31 December 2025;

(b) The approval of a request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities being provided to the Supervisory Body by the DNA for the mechanism established by Article 6, paragraph 4, of a CDM host Party by no later than 31 December 2025;

(c) The clean development mechanism afforestation and reforestation project activity or programme of activities complying with the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4⁶; the respective applicable requirements for activities involving removals under the mechanism contained in “Standard: Requirements for activities involving removals under the Article 6.4 mechanism”;⁷ and any future relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

VII. Management of financial resources

20. *Takes note* of the agreed business and resource allocation plan of the Supervisory Body for 2024–2025,⁸ which provides an estimated budget for its work and activities deemed essential for operationalizing the mechanism established by Article 6, paragraph 4;

21. *Also takes note* that a USD 3.1 million shortfall in funding for the mechanism is expected in 2025, based on the plan referred to in paragraph 20 above and the 2024 report of the Supervisory Body;

22. *Further takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

23. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

⁶ FCCC/PA/CMA/2021/10/Add.1.

⁷ Supervisory Body document A6.4-SBM014-A06.

⁸ Supervisory Body document A6.4-SB007-A01.