

Agenda item 3.5

Paragraph 19 of the annotated agenda

Considerations for repurposing the voluntary cancellation platform

Article 6.4 Supervisory Body – 22nd meeting

Bonn, Germany, 27 to 30 July 2026



- **SBM 013** (2022), took note of the concept note on “Repurposing the CDM Voluntary Cancellation Platform to serve the Article 6.4 mechanism” and agreed to revisit after registry work progressed.
- **SBM 018** (2024): Reconsidered voluntary cancellation platform functioning for Article 6.4; agreed to revisit at its twentieth meeting.
- **SBM 020** (Feb 2026): Considered updated concept note; requested secretariat to reflect guidance received and present expanded options at SBM 021.
- **SBM 021** (May 2026): Took note of the concept note “Considerations for repurposing the voluntary cancellation platform” with a view to an agreed outcome at SBM 022.

Purpose

This presentation

- Is a brief refresher on the topic.
- Responds to SBM 020 guidance and expands on the concept note presented at the twentieth meeting.
- Sets out how to repurpose the CDM voluntary cancellation platform for the voluntary cancellation of MCUs and CP2 CERs in the mechanism registry.
- Proposes not using the platform for voluntary cancellation of authorized Article 6.4 emission reductions (AERs) due to complexity and costs.
- Provides recommendations for repurposing either following, or in parallel with, the CDM conclusion on 31 December 2026.
- Notes that CMP 20 decision to discontinue CER transactions will directly impact the platform.



1. The platform

- Is an online e-commerce service launched in September 2015.
- Enables project participants to offer CERs for voluntary cancellation.
- Is free of charge under CDM for providers and purchasers.
- Is available in English, French, Spanish.
- Includes emissions calculators.
- Allows external platform integration.
- Facilitated ~17.5 million CERs cancelled with participation from almost 300 projects across a global user base by end June 2026.



2. Repurposing the platform

- Requires software upgrades for improved functionality, security and scalability.
- Enables offering of different emission reduction types (MCUs, CP2 Glasgow eligible CERs).
- Requires migration to an updated PayPal payment module to ensure stable transactions.



Impacts and key considerations

- Repurposing requires investment for security upgrades and for development to handle two types of units for cancellation, namely MCUs and CP2 CERs.
- Parts of the platform architecture require modernisation; however proven operational reliability makes repurposing more cost-efficient than a full rebuild.
- Familiar system may retain existing vendors; decade-long customer base provides strong foundation for new mechanism.
- Enhanced Article 6.4 safeguards and cancellation features could attract new participants and broaden the user base.
- Addresses requirement as per decision 3/CMA.3 to enable voluntary cancellation of units in the mechanism registry.



Subsequent work and timelines

- The first phase of the mechanism registry development was accomplished last year, and the interim mechanism registry is operational.
- Moreover, a minimum viable product for the full-fledged registry is meanwhile available as a demonstration system and allows access to users to try out the system with minimal list of features.
- CDM registry closes 31 December 2026 for any transactions as per CMP 20, and this will mean the shutdown of the platform; decision on repurposing must be taken before mid of this year.
- SBM 022: Final decision required to allow secretariat to either initiate upgrades with the vendor or comply with contractual obligations if repurposing is not endorsed.



Revised cost estimates for repurposing the existing platform:

- One-off development & software upgrade: USD 265,000 (incl. integration with Article 6.4 mechanism registry).
- Annual maintenance: USD 120,000 per year.

Technical feasibility and vendor capability

Can the current provider implement all required changes for Article 6.4 functionality?

- Following SBM 020 and consultations with the vendor, the functionality of a repurposed platform should be limited to its original scope of voluntary cancellation of listed credits.
- Cancelled credits to be placed in account for voluntary cancellation of MCUs and CERs for other purposes, as per registry procedure paragraph 20(j).

Will the upgraded system handle multiple Article 6.4 unit types?

- The platform to support MCUs and CP2 CERs for voluntary cancellation, excluding AERs due to complexity and costs.

Are there possibilities to explore partnerships?

- Strategic public–private partnerships can be explored to integrate offset options into online purchasing platforms.
- Existing partnerships (emission calculator, global carbon market exchange platforms) and new ones to be continued, enhanced and explored.

Integrity, safeguards, and timing rules

Will the platform handle different cancellation timing rules, especially for MCUs?

- Yes — rules-based logic will implement timing provisions, including de-listing of offers after set deadlines.

How will the secretariat ensure strong security (e.g. against the recent fake email incident)?

- Upgrade includes: strengthened intrusion-detection, routine penetration testing, updated server protections against spoofing/phishing.
- Note: Current nopCommerce v4.2 carries high-severity vulnerabilities (CVE-2025-11699, CVE-2022-33077) — upgrade is essential.

Demand considerations and CER implications

Will there be meaningful demand for A6.4ER cancellations in 2027 and beyond?

- Early signals indicate demand from entities seeking UN-verified outcomes.
- Existing and new partnerships can expand voluntary cancellation channels as Article 6.4 project issuances grow.

If no decision is taken, what happens at year-end under the CMP 20 decision?

- Platform ceases all CER transactions and must be decommissioned by 31 December 2026.
- No A6.4 voluntary cancellation functionality will be available.

Can Glasgow-compatible CERs migrate to the Article 6.4 registry and be sold?

- Yes — eligible CERs may migrate to the A6.4 registry.
- The platform can support their listing and sale per registry rules.



Operational considerations, costs, timelines, and risk management

Why prioritize this platform when private sector platforms exist?

- UNFCCC-operated platform ensures neutrality, Article 6.4 alignment, and zero commission — directly benefiting project participants; addresses decision 3/CMA.3 requirement.

What remains on the platform after CERs disappear at end-2026? How to communicate any delay in offering units?

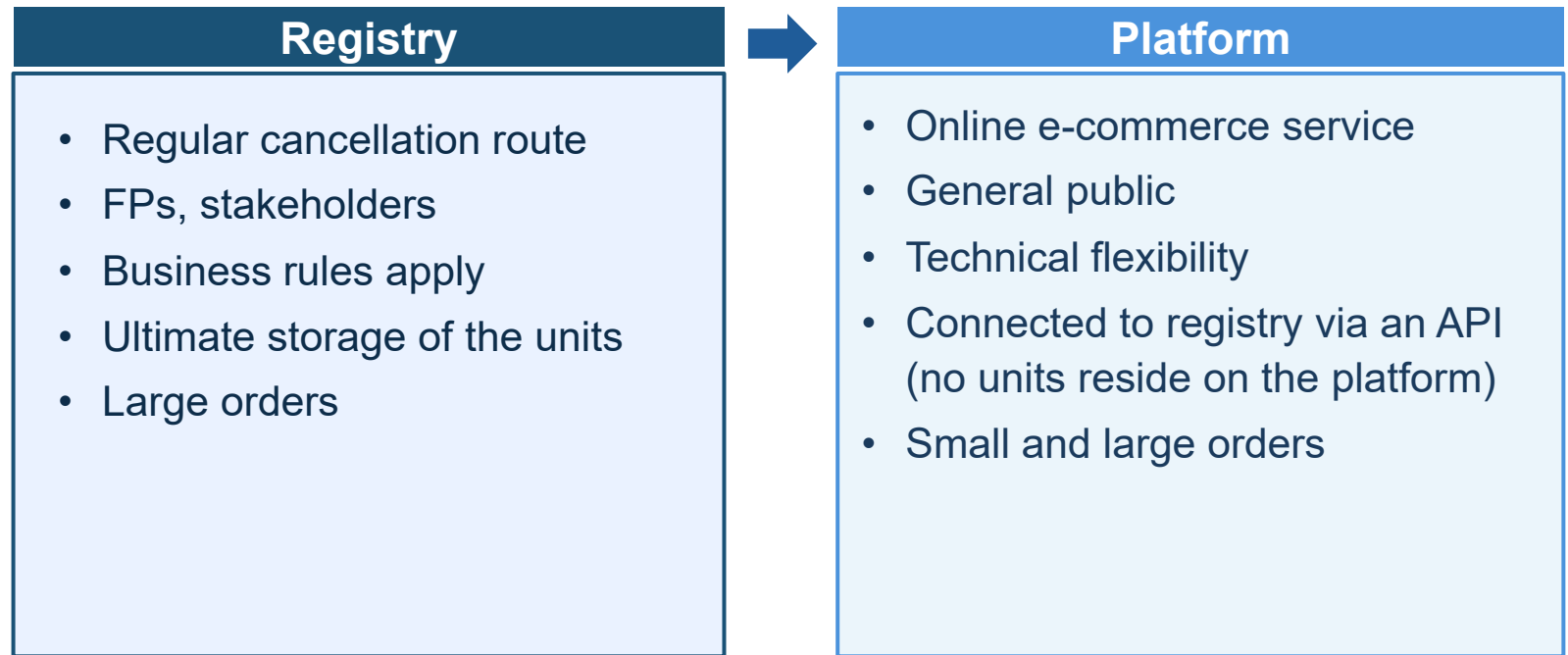
- Platform continues operating for MCUs and CP2 CERs.
- Existing vendors can transition seamlessly.
- Transition to be accompanied with clear communication and targeted outreach to ensure users and stakeholders understand the changes.

Will new payment systems (e.g. PayPal upgrades) introduce additional operational costs?

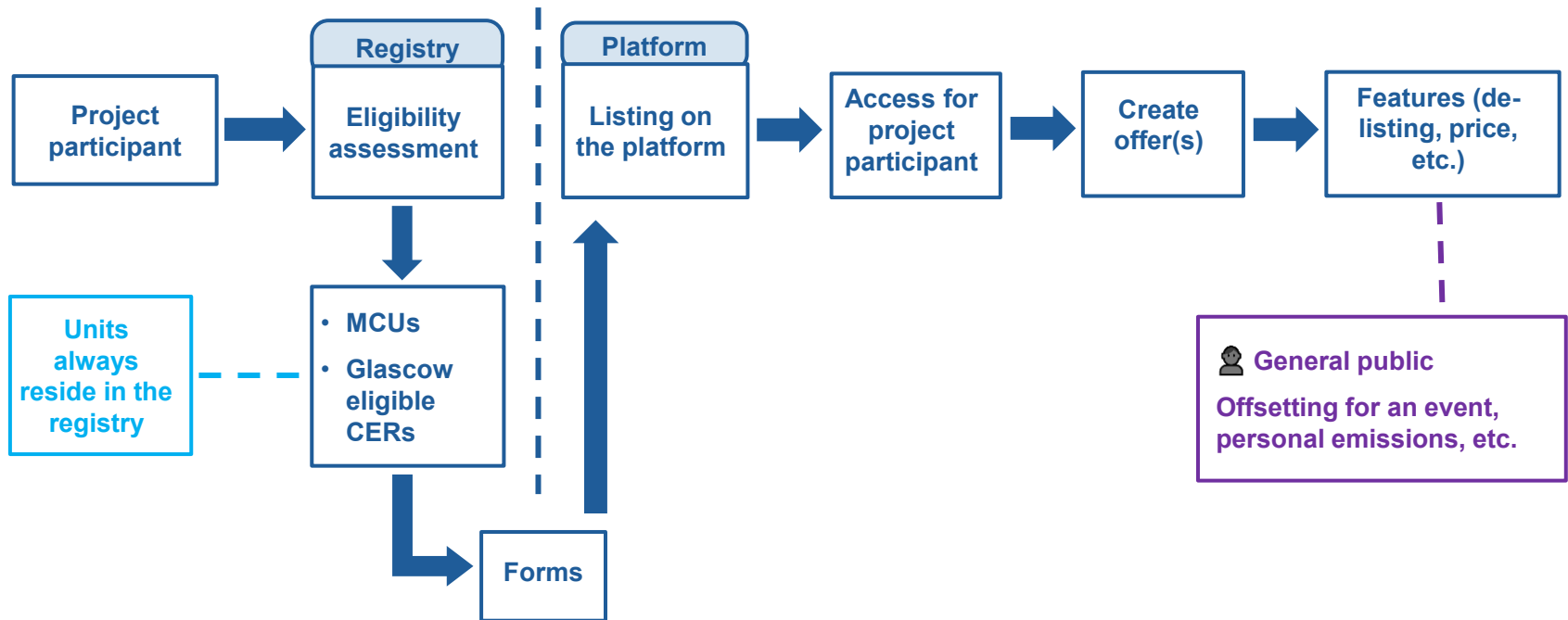
- Any future payment system enhancements introduce additional costs, including licensing fees, security compliance, and third-party integration maintenance to be factored into annual service budget.



Decision 3/CMA.3 – Voluntary cancellation



Process overview



Sales on the platform over years

Orders and certified emission reductions (CERs) cancelled, by reporting period

Reporting period	Orders	CERs cancelled	Variation
			(in CERs cancelled)
Sep. 2015 to Dec. 2018	4,295	605,787	
	4,908	769,194	
1 Jan. to 31 Dec. 2020	3,121	1,120,491	47%
1 Jan. to 31 Dec. 2021	3,088	1,993,334	78%
1 Jan. to 31 Dec. 2022	2,834	3,805,577	91%
1 Jan. to 31 Dec. 2023	3,424	3,640,895	-4%
1 Jan. to 31 Dec. 2024	2,977	2,318,367	-36%
1 Jan. to 31 Dec. 2025	2,562	1,724,208	-26%
1 Jan. to 30 Jun. 2026 (half year)	1,228	1,527,082	n/a
Total (mid 2026)	28,437	17,504,935	



Sales on the platform over years cont'd

Orders and CERs cancelled by type of purchaser by reporting period

Reporting period	Companies, organizations and third parties			Individuals			Total
	Orders	Volume	% of total	Orders	Volume	% of total	100%
15 Sep. 2015 to Dec. 2018	1,136	467,004	77	3,159	138,783	23	605,787
1 Jan. to 31 Dec. 2019	1,348	523,152	68	3,560	246,042	32	769,194
1 Jan. to 31 Dec. 2020	1,222	1,007,909	90	1,899	112,582	10	1,120,491
1 Jan. to 31 Dec. 2021	1,741	1,846,223	93	1,347	147,111	7	1,993,334
1 Jan. to 31 Dec. 2022	1,907	3,724,442	98	927	81,135	2	3,805,577
1 Jan. to 31 Dec. 2023	2,416	3,562,217	98	1,008	78,678	2	3,640,895
1 Jan. to 31 Dec. 2024	2,164	2,237,132	96	813	81,235	4	2,318,367
1 Jan. to 31 Dec. 2025	2,011	1,595,097	93	551	129,111	7	1,724,208
1 Jan. to 30 Jun. 2026	909	1,417,453	93	319	109,629	7	1,527,082
Total	14,854	16,380,629		13,583	1,124,306		17,504,935



Glasgow eligible CERs requesting transfer to date

CERs eligible for transfer to the Article 6.4 mechanism registry

CERs held in the CDM registry	Pending account	Permanent holding accounts	TOTAL
	21,000,000	6,900,000	27,900,000
thereof requested transfer	1,800,000	4,900,000	6,700,000
% of total	9	71	24
thereof with vendor account on the platform	0	4,800,000	4,800,000
% of total	0	98	72



Freezing the platform

- Freezing still will incur costs that will be significant.
- No guarantee that the solution can be reactivated after extended freeze period and may require additional development work.
- Contractual amendments may be needed.

After consultation with the vendor and with relevant colleagues, the secretariat does not recommend the option to freeze the platform temporarily.



Recommendations to the Supervisory Body

The secretariat recommends that the Supervisory Body:

- a) Take note of the information contained in this document.
- b) Provide guidance on the way forward.
- c) Reach an agreed outcome at this meeting, SBM 022.

