

**A6.4-SBM017-AA-A06**

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# Revision of activity cycle procedures for projects and programme of activities

Version 02.0



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The A6.4 SD Tool envisages that a designated operational entity (DOE) may submit a deviation request to the Supervisory Body prior to submitting a request for registration or request for issuance if the DOE identifies the presence of unavoidable negative impacts that exceed the environmental and social safeguard elements and criteria and cannot be remediated by consultation or mitigation.
2. The Supervisory Body, at its sixteenth meeting, adopted revisions to the “Standard: Article 6.4 activity standard for projects”, the “Standard: Article 6.4 activity standard for programmes of activities”, the “Standard: Article 6.4 validation and verification standard for projects” and the “Standard: Article 6.4 validation and verification standard for programmes of activities”, which among other things, included the relevant requirements of the A6.4 SD Tool. Additionally, the “Standard: Article 6.4 activity standard for projects” included new provisions allowing activity participants to request a deviation through a DOE to the Supervisory Body prior to submitting a request for registration or request for issuance if the DOE identifies the presence of unavoidable negative impacts that exceed the environmental and social safeguard elements and criteria and cannot be remediated by consultation or mitigation.

### 2. Purpose

3. The main purpose of the revisions of the “Procedure: Article 6.4 activity cycle procedure for projects” (ACP-P) and “Procedure: Article 6.4 activity cycle procedure for programmes of activities” (ACP-PoA), as contained in Appendix 1 and Appendix 2 respectively, is to operationalize the deviation process by providing the procedural provisions for submitting, assessing and considering a deviation from the requirements of the A6.4 SD Tool.
4. This revision of the ACP-P and in the ACP-PoA also includes the outcome of the structured editorial and legal review carried out by the secretariat in response to the mandate from paragraph 35 of the tenth meeting of the Supervisor Body.
5. For ease of identification of the background of the revisions, the changes to reflect the inclusion of the provisions for deviation from the SD tool and other additional substantive changes are highlighted in yellow, whereas the changes to reflect the structured legal and editorial review are highlighted in green.

### 3. Key issues and proposed solutions

#### 3.1. Request for deviation from the SD tool process

6. The A6.4 SD Tool (paragraph 101), “Standard: Validation and verification standard for projects” (paragraph 83) and “Standard: Validation and verification standard for programmes of activities” (paragraph 180), envisage that if the DOE identifies the presence of unavoidable negative impacts that exceed the environmental and social safeguard elements and criteria and cannot be remediated by consultation or mitigation, the DOE shall issue a negative validation opinion as per the A6.4 validation and verification

standard or submit a deviation request to the Supervisory Body prior to submitting a request for registration.

7. The A6.4 SD Tool (paragraph 106), “Standard: Validation and verification standard for projects” (paragraph 183) and “Standard: Validation and verification standard for programmes of activities” (paragraph 323), further envisage that if the DOE identifies unavoidable negative impacts that exceed the parameters established in the A6.4 Environmental and social management plan form (A6.4-FORM-AC-016) and A6.4 Sustainable development impact form (A6.4-FORM-AC-017) and cannot be remediated by consultation or mitigation, the DOE shall issue a negative verification opinion as per the A6.4 validation and verification standard or submit a deviation request to the Supervisory Body prior to submitting a request for issuance.
8. As per the provisions of the “Standard: Article 6.4 activity standard for projects” (paragraph 81) and “Standard: Article 6.4 activity standard for programmes of activities” (paragraph 127), if unavoidable negative impacts are identified, either by activity participants or the DOE during the validation, that exceed the environmental and social safeguard elements and criteria and cannot be remediated by consultation or mitigation, activity participants may request a deviation through the DOE and shall revise the respective A6.4 SD Tool forms accordingly.
9. Furthermore, the provisions of the “Standard: Article 6.4 activity standard for projects” (sections 7.3.2 and 7.3.3.4) and “Standard: Article 6.4 activity standard for programmes of activities” (sections 8.2.2 and 8.2.3.4) formulate the possibility for two types of deviations from the A6.4 SD Tool: temporary deviations from the A6.4 SD Tool forms (the A6.4 Environmental and social safeguards risk assessment form, the A6.4 Environmental and social management plan form, and the A6.4 Sustainable development impact form); and permanent changes to the A6.4 SD Tool forms (the A6.4 Environmental and social safeguards risk assessment form, the A6.4 Environmental, and social management plan form and the A6.4 Sustainable development impact form).
10. The above-mentioned regulatory provisions recognize diversity of circumstances, the potential for unavoidable environmental or social impacts and the possibility, when justifiable, to deviate from the requirements of the A6.4 SD Tool; therefore, it is necessary to establish a formal process for a deviation from the A6.4 SD Tool.
11. The deviation process shall be established under well-defined conditions by providing procedural provisions for submission, assessment and consideration of the deviation request, while providing safeguards to ensure environmental and social integrity. This requires amendments to the activity cycle procedures to introduce the deviation process from the A6.4 SD Tool.
12. As the regulatory framework and the A6.4 SD Tool itself recognize that unavoidable impacts may occasionally arise that exceed the environmental and social safeguard elements and criteria set forth in the A6.4 SD tool and that when such impacts cannot be remediated by consultation or mitigation, activity participants – via the DOE – or the DOE while validating and verifying the activity may request a deviation from the A6.4 SD Tool. This mechanism provides a pragmatic yet accountable solution for situations where rigid application of the A6.4 SD Tool would impede meaningful mitigation actions or sustainable development outcomes.

13. The proposed deviation process in the revisions of the activity cycle procedures is structured with multiple safeguards, including:
  - (a) Submission of a Deviation Request Form with robust supporting documentation (37<sub>ter</sub> for ACP-P and 94<sub>ter</sub> for ACP-PoA);
  - (b) Transparent fee structure and public disclosure (37<sub>quater</sub>–37<sub>decies</sub> for ACP-P and 94<sub>quater</sub>–94<sub>decies</sub> for ACP-PoA);
  - (c) Robust assessment by the secretariat through completeness check and substantive assessment at the stage of summary note (37<sub>undecies</sub> – 37<sub>sexdecies</sub> for ACP-P and 94<sub>undecies</sub> – 94<sub>sexdecies</sub> for ACP-PoA);
  - (d) Option for inputs from the methodologies expert panel member (37<sub>septdecies</sub> for ACP-P and 94<sub>septdecies</sub> for ACP-PoA);
  - (e) Review by the Supervisory Body (37<sub>octadecies</sub>–37<sub>novodecies</sub>, 37<sub>vices</sub> for ACP-P and 94<sub>octadecies</sub>–94<sub>novodecies</sub>, 94<sub>vices</sub> for ACP-PoA).
14. The above provisions ensure that the potential flexibility of the deviation process does not compromise transparency, consistency or the Article 6.4 mechanism environmental and social objectives.
15. In order to request a deviation from the A6.4 SD Tool, the DOE must submit a completed "Deviation from SD Tool request form" and supporting documentation consisting of:
  - (a) Demonstration of compliance with national laws and international obligations;
  - (b) Description and assessment of the impacts;
  - (c) For projects, a draft project design document with completed sections A and D, and relevant appendices: Appendix 6: Environmental and social safeguards risk assessment; Appendix 7: Environmental and social management plan; and/or Appendix 8: Sustainable development impact form; or for PoAs, a draft component project design document with a completed section A and E and relevant appendices: Appendix 6 (A6.4 Environmental and social safeguards risk assessment form), Appendix 7 (A6.4 Environmental and social management plan form) and/or Appendix 8 (A6.4 Sustainable development impact form).
16. This will ensure that through robust assessment it shall be demonstrated that the impacts do not infringe respective applicable national laws, requirements, policies, rules and measures of the host Party, as well as international instruments to which the host Party is bound.
17. The assessment by the secretariat, the option for inputs by the Methodologies Expert Panel member, and the consideration of the deviation by the Supervisory Body will ensure that deviations are considered on a case-by-case basis with multi-layers of scrutiny to maintain the integrity of the process.
18. The transparency of the deviation process is also highly safeguarded through publication of the deviation request and any decision pertaining to its consideration.

**3.2. Provisions for renewal of crediting period for activities transitioned from the CDM**

19. Paragraphs 213 of the ACP-P and paragraphs 255 and 272 of the ACP-PoA outline provisions for transitioned CDM activities relating to the timing of request for renewal of their crediting period. These provisions allow the transitioned CDM activities to request renewal within one year from receiving host Party approval for their transition regardless of when their crediting period would have ended. It is however, to be noted that because of the delay in development of new article 6.4 methodologies, transitioning projects may not be able to request a transition within the above-mentioned timelines because of the absence of the applicable methodology. It is therefore proposed that the deadline be amended to also link it to the timing of development of the applicable new article 6.4 methodology. This will help elevate a potential barrier to the renewal of transitioned CDM activities due to the delay in methodology development.

**3.3. Outcome of the structured legal and editorial review:**

20. The results of the structured legal and editorial review consisted mainly on editorial revisions. However there were a few substantive revisions particularly aligning the provisions of the two activity cycle procedures. These revisions were as follow:
- (a) Inclusion of a new provision in the ACP-P to account for cases where the global stakeholders consultation may result in significant changes that may require republication of the PDD for stakeholders consultations (para 25bis. and 25ter).
  - (b) Inclusion of the provision for the activity participants to submit a declaration that the development, implementation and operation of the proposed A6.4 project do not involve any illegal activities among the other documentation to be submitted to the DOE for validation (para 35).

**4. Impacts**

21. The **deviation process** from the A6.4 SD Tool under the Article 6.4 mechanism introduces a structured approach for considering and addressing unavoidable negative environmental and social impacts in mitigation activities while providing safeguards for environmental and social integrity. The deviation process will allow for greater flexibility, while maintaining integrity in project design.

**5. Subsequent work and timelines**

22. The secretariat will further work on the development of the respective forms and web infrastructure to enable the process of submission, assessment and consideration of the deviation requests from the A6.4 SD Tool.

**6. Recommendations to the Supervisory Body**

23. The secretariat recommends that the Supervisory Body consider and adopt the proposed revisions of the "Procedure: Article 6.4 activity cycle procedure for projects" and "Procedure: Article 6.4 activity cycle procedure for programmes of activities" as presented, with modifications as appropriate.

## List of appendices

**Appendix 1.** A6.4-SBM017-AA-A07. Draft Procedure Article 6.4 activity cycle procedure for projects

**Appendix 2.** A6.4-SBM017-AA-A08. Draft Procedure Article 6.4 activity cycle procedure for programme of activities

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### Document information

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02.0	22 July 2025	Revision to remove paragraph 13 (f).
01.0	21 July 2025	Published as an annex to annotated agenda of SBM 017. Note: The two appendices referenced in this document are published separately under the following symbol numbers: <ul style="list-style-type: none"><li>• A6.4-SBM017-AA-A07. Draft Procedure Article 6.4 activity cycle procedure for projects</li><li>• A6.4-SBM017-AA-A08. Draft Procedure Article 6.4 activity cycle procedure for programme of activities.</li></ul>

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