

**A6.4-SBM020-AA-A05**

## Draft Glossary

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### Article 6.4 mechanism terms

Version 01.0

DRAFT



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The Supervisory Body at its eleventh meeting, when considering the regulatory documents for programmes of activities i.e. the draft procedure “Article 6.4 activity cycle procedure for programmes of activities”, draft standard “Article 6.4 activity standard for programmes of activities” and draft standard “Article 6.4 validation and verification standard for programmes of activities”, also noted that the secretariat will be developing a glossary of the Article 6.4 mechanism terms (the glossary) containing common and key terms used in these documents for the ease of use of these terms.

### 2. Purpose

2. The purpose of the development of the glossary is to provide an alphabetical list of terms relevant to the Article 6.4 mechanism to facilitate a common understanding of terminology used in the Article 6.4 mechanism documentation.

### 3. Key issues and proposed solutions

3. As per the “Decision and documentation framework”, glossaries belong to the Article 6.4 supplementary documents that contain non-mandatory supplemental information and represent Tier 4 in the hierarchy of documents.
4. As a Tier 4 document, the glossary is subordinate to Tier 1 to 3 documents, including the Paris Agreement, Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decisions, Article 6.4 mechanism standards, procedures and clarifications, as well as Article 6.4 mechanism tools.
5. Thus, the glossary is to be read in conjunction with the Article 6.4 rules and requirements. If a term is defined in the glossary and also in the Article 6.4 mechanism rules and requirements, the definition contained in the Article 6.4 mechanism rules and requirements shall take precedence in case of any inconsistency.
6. The glossary compiles three types of terms and definitions:
  - (a) Terms and definitions sourced from already adopted Article 6.4 rules and regulations;
  - (b) Terms and definitions which are adapted from the clean development mechanism (CDM) having the same meaning;
  - (c) Terms and definitions which are newly formulated in the context of Article 6.4 mechanism.
7. Key terms such as “Article 6, paragraph 4 activity” and “Article 6, paragraph 4 emission reduction” are sourced from Decision 3/CMA.3.

8. The glossary consists of all definitions sourced from the most recent versions adopted by the Supervisory Body regulatory documents:
- (a) “Procedure: Article 6.4 accreditation”: terms such as Article 6.4 Accreditation Expert Panel; Article 6.4 assessment teams.;
  - (b) “Procedure: Performance monitoring of the Article 6.4 designated operational entities”: terms such as DOE performance; Non-compliance;
  - (c) “Procedure: Article 6.4 activity cycle procedure for projects”: terms such as Activity Participants; Prior consideration, Start date of the crediting period of project, Other Participating Party, etc.;
  - (d) “Procedure: Article 6.4 activity cycle procedure for programmes of activities”: terms such as Start date of the programme of activities (PoA) period; Start date of Component project; Start date of the crediting period of component project;
  - (e) “Procedure: Article 6.4 mechanism registry”: terms such as Authorized emission reductions (AERs); Mitigation contribution units (MCUs); Certified emission reduction (CERs), Registry administrator; First transfer;
  - (f) “Article 6.4 Sustainable development (SD) tool”: terms such as Activity-level environmental and social indicators; Sustainable Development Goals; SD objectives and priorities of a host Party; Cumulative impacts; Critical habitats; High Conservation Value; Forced labour; Involuntary resettlement; Physical displacement; Cultural Heritage; Direct Impact;
  - (g) “Methodological Tool: Common Practice Analysis”: terms such as Applicable geographical area; Applicable; Common practice threshold; Indicator of common practice; Level of service; Output; Technology ;
  - (h) “Standard: Article 6.4 mechanism accreditation”: terms such as Appeal against DOE; Article 6.4 accreditation; Article 6.4 accreditation requirement; Central office of DOE; Client of DOE; Competence; Complaint against a DOE; Corrective action; Designated Operational Entity; Dispute; Impartiality; Integrity; Non-conformity; Outsourced entities; Related body to a DOE; Sectoral scope;; Technical area; Technical expert; Technical review; Technical reviewer; Technical review team; Validation or verification/certification personnel; Validation or verification/certification team; Validation or verification/certification team leader; Validator or verifier;
  - (i) “Standard: Article 6.4 activity standard for projects”: terms such as Start date of project; Geographical boundary of a project; host Party; Local stakeholders; Output; Technology; Assets; Level of services;
  - (j) “Standard: Article 6.4 activity standard for programmes of activities”: terms such as Start date of component project; Start date of PoA; Local stakeholders; Level of services; Output; component project;;
  - (k) “Standard: Article 6.4 validation and verification standard for projects” and “Standard: Article 6.4 validation and verification standard for programmes of activities”: terms such as Materiality, Material information;

- (l) “Standard: Addressing leakage in mechanism methodologies”: terms such as Controlled sources, sinks and reservoirs; Leakage; Level of service; Output; Related sources, sinks and reservoirs;
  - (m) “Standard: Addressing non-permanence and reversals in mechanism methodologies”: terms such as Active crediting period; Avoidable reversals; Carbon stock; Crediting deficit; Greenhouse gas reservoir; Legal requirements; Negligible risk of reversal; Observed event; Post-crediting monitoring period; Reversal; Reversal risk assessment tool; Reversal risk buffer pool account; Unavoidable reversal;
  - (n) “Standard: Addressing suppressed demand in mechanism methodologies”: terms such as Basic human needs; Business-as-usual; Level of service; Level of service for meeting basic human needs; Suppressed demand; Suppressed demand baseline;
  - (o) “Standard: Demonstration of additionality in mechanism methodologies”: terms such as Activity participant; Regulatory analysis; Analysis of lock-in risk; Investment analysis; Barrier analysis; Common practice analysis; Performance-based approach;
  - (p) “Standard: Requirements of activities involving removals under the Article 6.4 mechanism”: terms such as; Removals; Activities involving removals; Reversals; Avoidable reversals; Unavoidable reversals;
  - (q) “Standard: Setting the baseline in mechanism methodologies”: terms such as Applicability conditions; Baseline geographical reference area; Best available technology; Best performing comparable activities; Business-as-usual; Crediting baseline; Legal requirements; Level of aggregation; Level of service; Output; Policies; Pool of users; Remaining lifetime; Sector; Standardized baseline;
9. Some terms and definitions are derived from CDM under the Kyoto Protocol. These include whose meanings are the same as those from the CDM, such as: Admitted observer organization; Applicant entity; Authorized signatory; Baseline emissions; Certification; Completeness check; Component project; Component project design document; Crediting period; Deviation; Designated National Authority; Focal point; Host Party(ies); Issuance; Joint focal point; Least developed country; Material information; Modalities of communication statement; Monitoring; Project design document; Programme of activities; PoA design document; Registration; Renewal of crediting period; Shared focal point; Sole focal point; Substantive check; Summary note; Validation/verification opinion; Verification;
10. Other terms and definitions are newly formulated and specific to Article 6.4 such as: Approval by a host Party; Article 6.4 mechanism; Authorization of the use of A6.4ERs; Expert review team; Methodological expert panel; Other participating Party(ies); Article 6.4 Supervisory Body.
11. During the development of the glossary and consultations with the Methodological Expert Panel (MEP) at its 10<sup>th</sup> meeting, some term definitions were identified as needing improvement or as being defined slightly differently across various standards. Where definitions differed, the most recent versions were included in the glossary. Terms identified as needing improvement were flagged for further work when their respective parent documents are next revised.

#### **4. Impacts**

12. The glossary will provide stakeholders with a consolidated list of terms and definitions used under the Article 6.4 mechanism, clarify commonly used terms and help ensure consistent use of terminology across Article 6.4 regulatory documents.

#### **5. Subsequent work and timelines**

13. The glossary will be updated and new terms and definitions will be added and modified on a continuous basis as the regulatory framework under the Article 6.4 mechanism continues to be developed.

#### **6. Recommendations to the Supervisory Body**

14. The secretariat recommends that the Supervisory Body adopt the Glossary of Article 6.4 mechanism terms as contained in this document.

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## 1. Background

1. This glossary is a compilation of terms commonly used in the mechanism established under the Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism).

## 2. Scope and entry into force

### 2.1. Scope

2. The glossary is to be read in conjunction with Article 6.4 rules, requirements or associated tools. Where a term is defined both in this glossary and in Article 6.4 mechanism rules or requirements, the definition contained in the Article 6.4 mechanism rules or requirements prevails in case of inconsistency.

### 2.2. Entry into force

3. This document enters into force on DD Month YYYY.

## 3. Acronyms and abbreviations used in the Glossary

<i>Acronym/Abbreviation</i>	<i>Full text</i>
<b>AE</b>	Applicant entity
<b>AP</b>	Activity participant
<b>AEP</b>	Accreditation Expert Panel
<b>AER</b>	Authorized Article 6.4 emission reduction
<b>A6.4ER</b>	Article 6.4 emission reduction
<b>A6.4 SD tool</b>	Article 6.4 sustainable development tool
<b>CMA</b>	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
<b>CDM</b>	Clean development mechanism
<b>CER</b>	Certified emission reduction of the clean development mechanism
<b>COP</b>	Conference of the Parties
<b>CP</b>	Component project
<b>CP-DD</b>	Component project design document
<b>DNA</b>	Designated national authority
<b>DOE</b>	Designated operational entity
<b>LDC</b>	Least developed country
<b>OMGE</b>	Overall mitigation in global emissions
<b>SIDS</b>	Small island developing state
<b>MCU</b>	Mitigation contribution Article 6.4 emission reduction unit
<b>MEP</b>	Methodological Expert Panel

<i>Acronym/Abbreviation</i>	<i>Full text</i>
<b>MoC</b>	Modalities of communication
<b>NDC</b>	Nationally determined contribution
<b>PDD</b>	Project design document
<b>PoA</b>	Programme of activities
<b>PoA-DD</b>	Programme of activities design document
<b>RMPs</b>	Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement
<b>SBM</b>	Supervisory Body of the Article 6.4 mechanism
<b>SDGs</b>	Sustainable development goals of the UN 2030 Agenda for Sustainable Development
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change

## 4. Interpretation

4. The term “RMPs” refers to, unless otherwise specified, the rules, modalities and procedures<sup>1</sup> for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.

## 5. Definition of terms in alphabetical order

<i>Term</i>	<i>Definition</i>
<b>Active crediting period</b>	The first crediting period of an Article 6.4 activity and any subsequent crediting period that has been renewed.
<b>Activity participant</b>	A public or private entity that participates in an Article 6.4 activity.
<b>Activity-level environmental and social indicators</b>	Indicators identified during the assessment of environmental and social risks for a specific Article 6.4 activity as defined in the completed A6.4-FORM-AC-016. These indicators help ensure that Article 6.4 activities do not cause harm — for example, to the environment, communities, Indigenous Peoples, or workers of the Article 6.4 activity.
<b>Activity-level sustainable development (SD) indicators</b>	A6.4 activity-specific monitoring indicators, consistent with the SDGs that represent Article 6.4 activity contributions to SD. They reflect SD objectives as well as SD priorities defined by a host Party, as specified in the A6.4-FORM-AC-017.
<b>Activities involving removals</b>	Activities involving processes by which GHGs are removed from the atmosphere as a result of deliberate human activities and are either destroyed or durably stored through anthropogenic activities.

<sup>1</sup> Available at [https://unfccc.int/sites/default/files/resource/cma2021\\_10a01E.pdf#page=25](https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25).



<i>Term</i>	<i>Definition</i>
<b>Accreditation</b>	Formal recognition by the Supervisory Body of an operational entity's institutional capacity, competence, and impartiality to appropriately perform validation and/or verification/certification functions in accordance with the Article 6.4 rules and requirements.
<b>Accreditation requirement</b>	A requirement adopted by the CMA or the Supervisory Body and with which an operational entity shall comply to become and remain accredited.
<b>Accreditation Expert Panel (AEP)</b>	A panel established in accordance with paragraph 70, Annex II of the rules of procedure of the Supervisory Body (Decision 7.CMA.4), to support the Supervisory Body in considering the results of accreditation assessments of AEs/DOEs by Article 6.4 assessment teams, providing recommendations on the accreditation status of, or related actions for, AEs/DOEs, and on areas defined as per the Procedure: Article 6.4 accreditation.
<b>Additionality</b>	<p>An Article 6.4 activity is additional if it:</p> <ul style="list-style-type: none"> <li>(i) Represents mitigation that exceeds any mitigation that is required by law or regulation;</li> <li>(ii) Avoids locking in levels of emissions, technologies or carbon-intensive practices that are incompatible with paragraph 33 of the RMPs; and</li> <li>(iii) Would not have occurred in the absence of incentives from the mechanism, taking into account all relevant national policies, including legislation.</li> </ul>
<b>Admitted observer organization</b>	An organization that has been admitted by the COP as an observer to the UNFCCC.
<b>Analysis of lock-in risk</b>	Demonstration that the implementation of an Article 6.4 activity does not lead to locking in levels of emissions or carbon-intensive technologies or practices that are incompatible with paragraph 33 of the RMPs.
<b>Appeal against DOE decision</b>	A request made by a client to obtain a formal review of a decision taken by a DOE in respect of its validation, verification or certification functions.
<b>Applicability conditions</b>	Conditions that specify contexts, configurations and cases in which a mechanism methodology can be applied to a proposed Article 6.4 activity while ensuring environmental integrity.
<b>Applicant entity (AE)</b>	An entity which has applied to be accredited by the Supervisory Body as a DOE.
<b>Approval by a host Party</b>	Approval by a host Party means the approval to register a proposed project or PoA to be implemented within the geographical boundaries of the host Party under the Article 6.4 mechanism.

<i>Term</i>	<i>Definition</i>
<b>Article 6, paragraph 4, activity (Article 6.4 activity)</b>	An activity that meets the requirements of Article 6, paragraphs 4–6 of the Paris Agreement, the RMPs, and any further relevant decisions of the CMA.
<b>Article 6, paragraph 4, activity scenario (Article 6.4 activity scenario)</b>	The scenario in which the Article 6.4 activity is implemented (as opposed to the baseline scenario and business as usual (BAU) scenario).
<b>Article 6, paragraph 4, emission reduction (A6.4ER)</b>	A unit issued for mitigation achieved pursuant to Article 6, paragraphs 4–6 of the Paris Agreement, the RMPs, and any further relevant decisions of the CMA. It is measured in carbon dioxide equivalent (CO <sub>2</sub> -eq) and is equal to 1 tonne CO <sub>2</sub> -eq calculated in accordance with the Article 6.4 mechanism methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA or in other metrics adopted by the CMA pursuant to the RMPs. A6.4ERs include authorized A6.4ERs and mitigation contribution A6.4ERs.
<b>Article 6, paragraph 4 mechanism (Article 6.4 mechanism)</b>	The mechanism established under Article 6, paragraph 4, of the Paris Agreement, the purpose of which is to contribute to the mitigation of GHG emissions and support SD for use by Parties on a voluntary basis.
<b>Assessment teams (ATs)</b>	The teams of accreditation experts that assess, in accordance with “Procedure: Article 6.4 accreditation”, the “Article 6.4 accreditation standard” and under the guidance of the AEP, whether AEs/DOEs comply with the Article 6.4 accreditation requirements. ATs submit their assessment reports to the AEP. ATs are selected from the roster of experts established for the purpose of accreditation assessments (accreditation roster of experts) which contains both external experts and secretariat staff.
<b>Assets</b>	Resources with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit; the assets could be physical, such as project equipment, or non-corporeal such as permits and exclusive position in legislation.
<b>Authorization of activity participants</b>	Authorization of the participation of public or private entity(ies) as activity participant(s) in an Article 6.4 activity.
<b>Authorization of A6.4ERs</b>	A statement provided by the host Party to the supervisory body specifying whether it authorizes A6.4ERs issued or to be issued for an Article 6.4 mechanism activity for use towards achievement of NDCs and/or for other international mitigation purposes as defined in decision 2/CMA.3.
<b>Authorized emission reductions (AERs)</b>	Refers to A6.4ERs that are authorized by the host Party of the Article 6.4 activity for which the A6.4ERs are issued, for use towards the achievement of NDCs and/or for other international mitigation purposes pursuant to paragraph 42 of the RMPs.

<i>Term</i>	<i>Definition</i>
<b>Authorized signatory</b>	The natural person who represents a focal point or activity participant in an Article 6.4 activity (which may include a person who is authorized by way of a power of attorney) and whose name, contact details and specimen signature are registered in the modalities of communication (MoC) statement.
<b>Avoidable reversals</b>	Reversals caused by factors over which the activity participants have influence or control.
<b>Barrier analysis</b>	Demonstration that an Article 6.4 activity would be prevented by barriers and that the incentives from the mechanism make the determining difference for overcoming the barriers.
<b>Baseline emissions</b>	The GHG emissions that would occur in the baseline scenario.
<b>Baseline geographical reference area</b>	The geographical area assessed for setting the crediting baseline.
<b>Basic human needs</b>	Physical and physiological needs considered essential for minimum quality of life, such as water, food, housing, sanitation (waste treatment/disposal, and wastewater treatment), access to energy services (including lighting, cooking, and thermal comforts including heating or cooling), mobility, communications, education, health and economic activities such as agriculture.
<b>Best available technology</b>	<p><i>The practice or technology in a given scope (e.g., sector and baseline geographical area) that:</i></p> <ul style="list-style-type: none"> <li><i>(a) Provides a similar output as the Article 6.4 activity;</i></li> <li><i>(b) Represents an economically feasible and environmentally sound course of action;</i></li> <li><i>(c) Is available in the baseline geographical area, meaning accessible off the shelf, or via a tendering or direct contracting process, or by direct implementation by an end user within the boundary of potential Article 6.4 activities; and</i></li> <li><i>(d) Results in the lowest emissions or largest removals per unit of output among all practices and/or technologies that fulfil the conditions (a) to (c).</i></li> </ul>
<b>Best performing comparable activities</b>	The activities that provide outputs within a top segment of performance in terms of GHG emissions or removals per unit of output, considering all activities that provide similar outputs in a baseline geographical reference area.
<b>Business-as-usual</b>	Plausible reference benchmark or scenario for GHG emissions or removals prior to or in the absence of the implementation of the proposed Article 6.4 activity. It may be at a scenario, emission or removal level, or an emissions or removals intensity.

<i>Term</i>	<i>Definition</i>
<b>Carbon dioxide (CO<sub>2</sub>) removal</b>	The anthropogenic activities removing CO <sub>2</sub> from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological, geochemical or chemical CO <sub>2</sub> sinks, but excludes natural CO <sub>2</sub> uptake not directly caused by human activities.
<b>Carbon stock</b>	The quantity of carbon in a GHG reservoir.
<b>Certification</b>	For an Article 6.4 activity, the written assurance by a DOE that, during a specified time period, the Article 6.4 activity achieved the GHG emission reductions and/or net removals, as verified.
<b>Certified emission reductions</b>	Certified emission reductions issued under the CDM of the Kyoto Protocol that are eligible for use towards achievement of an NDC and have been transferred from the CDM registry to the mechanism registry in accordance with paragraph 75(b) of the RMPs.
<b>Central office of a DOE</b>	An office of the DOE, where the top management for the validation and verification/certification functions is mainly located, as specified by the DOE.
<b>Client of a DOE</b>	An activity participant to which a DOE provides a validation or verification/certification service through a contract.
<b>Common practice analysis</b>	Demonstration that the relevant technology or practice is not common practice (e.g., it has a low market penetration).
<b>Competence for validation and verification</b>	Ability to apply knowledge and skills in order to perform the validation or verification/certification in accordance with all Article 6.4 rules and requirements.
<b>Complaint against a DOE</b>	A formal expression of dissatisfaction, made electronically or in writing, regarding the performance of a DOE or its outsourced entities in relation to its validation or verification/certification functions. Complaints may be submitted by any source, including but not limited to, clients, activity participants, the general public or its representatives, government bodies and non-governmental organizations.
<b>Completeness check</b>	The process undertaken by the secretariat to confirm that all information and documents that are required to be submitted by activity participants, DOEs or DNAs, as applicable, have been submitted and that the submitted documents are complete and in accordance with the Article 6.4 rules and requirements.
<b>Component project (CP)</b>	A single measure, or a set of interrelated measures under an Article 6.4 PoA, to reduce GHG emissions by sources or result in net anthropogenic GHG removals by sinks.

<i>Term</i>	<i>Definition</i>
<b>Controlled sources, sinks and reservoirs</b>	GHG sources, sinks and reservoirs that are under the direction and influence of the activity participant through financial, policy, management or other instruments.
<b>Corrective action</b>	Action taken by a DOE to eliminate the cause of a non-conformity in order to prevent its recurrence.
<b>CP design document (CP-DD)</b>	The document prepared by the activity participants which sets out in detail, in accordance with the Article 6.4 rules and requirements, the CP which is to be undertaken. The form of CP-DD is publicly available on the UNFCCC Article 6.4 website.
<b>Crediting baseline</b>	The reference emissions or removals level against which the volume of emission reductions or net removals achieved by the Article 6.4 activity is quantified.
<b>Crediting deficit</b>	A net increase in GHG emissions resulting from an Article 6.4 activity caused by factors other than reversals.
<b>Crediting period</b>	The period of time in which verified and certified GHG emission reductions or net removals attributable to an Article 6.4 project or CP, as applicable, can result in the issuance of A6.4ERs, as applicable, from that Article 6.4 project or CP.
<b>Critical habitats</b>	Areas with high biodiversity importance, covering: (i) habitats of significant importance to critically endangered, endangered, vulnerable or near-threatened species, listed as such in the International Union for Conservation of Nature (IUCN) Red List of Threatened Species; (ii) habitats of significant importance to endemic and/or restricted-range species; (iii) habitats supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; (v) areas associated with key evolutionary processes; and/or (vi) legally protected areas or internationally recognized areas of high biodiversity value, which may include reserves that meet the criteria of the IUCN protected area management categories I through VI; World Heritage Sites; areas protected under the Ramsar Convention on Wetlands; core areas of world biosphere reserves; or areas in the United Nations List of National Parks and Protected Areas; sites listed in the World Database of Key Biodiversity Areas; or other sites meeting the criteria of the IUCN 2016 Global Standard for the Identification of Key Biodiversity Areas.

<i>Term</i>	<i>Definition</i>
<b>Cultural heritage</b>	Includes artefacts, monuments, a group of buildings and sites, museums that have a diversity of values including symbolic, historic, artistic, aesthetic, ethnological or anthropological, scientific and social significance. It includes tangible heritage (movable, immobile and underwater), intangible cultural heritage (ICH) embedded into cultural, and natural heritage artefacts, sites or monuments. The definition excludes ICH related to other cultural domains such as festivals, celebration etc. It covers industrial heritage and cave paintings. <sup>2</sup>
<b>Cumulative impacts</b>	In the context of sustainable development (SD) assessment, cumulative adverse impacts on habitats and biodiversity are those impacts resulting from incremental changes caused by other past, present, or reasonably foreseeable actions, in conjunction with the Article 6.4 activity itself.
<b>Designated national authority (DNA)</b>	The body granted responsibility by a Party, to undertake actions within the A6.4 mechanism activity cycle with respect to Article 6.4 activities on behalf of that Party, in accordance with the Article 6.4 rules and requirements.
<b>Designated operational entity (DOE)</b>	An entity accredited by the Supervisory Body as qualified to perform validation and/or verification/certification functions.
<b>Deviation</b>	<p>A change required or implemented, as applicable, by activity participants to either:</p> <ul style="list-style-type: none"> <li>(a) Elements and criteria of the SD Tool or an approved mechanism methodology, prior to registration of an Article 6.4 project or CP; or</li> <li>(b) The implementation of the Article 6.4 project or CP when compared against the monitoring plan as described in the registered PDD or CP-DD, the elements and criteria of the SD tool, A6.4 SD tool forms or the monitoring methodology.</li> </ul> <p>The acceptance of such a change is subject to the Supervisory Body approval, in accordance with the A6.4 mechanism rules and requirements.</p>
<b>Direct impact on the SD of host Party(ies)</b>	The positive and/or negative direct impacts of an Article 6.4 activity on the sustainable development of the host Party(ies) are impacts that arise from the activity's direct contribution to or interaction with environmental, social, or economic components during implementation and operation, and, if applicable, its dismantling.
<b>Dispute</b>	In the context of validation and/or validation/certification is a disagreement between a DOE and its client on any matter pertaining to the validation and/or verification/certification activities excluding decisions subject to appeal.

<sup>2</sup> As per UNESCO definition of Cultural heritage. Available at: <https://uis.unesco.org/en/glossary-term/cultural-heritage>.

<i>Term</i>	<i>Definition</i>
<b>DOE performance</b>	The assessment of how successfully a DOE carries out its validation and verification/certification functions, as defined in the RMPs and the Supervisory Body.
<b>Economic displacement</b>	Loss of land, assets, or access to assets, leading to loss of income sources or other means of livelihood.
<b>Emissions</b>	The release of GHGs and/or their precursors into the atmosphere over a specified area and period of time.
<b>Emission reduction</b>	The emissions occurring in the baseline scenario, minus emissions occurring in the Article 6.4 scenario, minus any leakage emissions.
<b>Environmentally sound technology or practice</b>	A technology and/or practice that is in line with laws and regulations on environmental protection in the applicable geographical area and seeks to reasonably minimize environmental harm.
<b>Expert Review Team</b>	A group of external experts established in accordance with paragraph 70 of the rules of procedure of the Supervisory Body (Decision 7/CMA.4), to assist the Supervisory Body in assessing requests for registration of Article 6.4 activities, and requests for issuance of A6.4ERs that have been placed under review.
<b>First transfer</b>	An action with respect to A6.4ERs that triggers the application of a corresponding adjustment in the structured summary reported by the host Party, as referred to in paragraph 2 of the annex to decision 2/CMA.3.
<b>Focal point</b>	Any entity, or entities, whether or not registered as an activity participant in the corresponding Article 6.4 activity, nominated through the MoC statement by activity participants to communicate with the Supervisory Body and the secretariat in relation to the following scopes of authority: <ul style="list-style-type: none"> <li>(a) Communication in relation to requests for forwarding of A6.4ERs;</li> <li>(b) Communication in relation to changes to the MoC;</li> <li>(c) Communication on all other activity related matters not covered by (a) or (b) above.</li> </ul>
<b>Forced labour</b>	Any work or service not voluntarily performed and exacted from an individual under threat of force or penalty.
<b>Free, prior, and informed consent (FPIC)</b>	A specific right of Indigenous Peoples recognized in the United Nations Declaration on the Rights of Indigenous Peoples that allows Indigenous Peoples to engage in negotiations to shape the design, implementation, monitoring and evaluation of an activity <sup>3</sup> .

<sup>3</sup> See <https://www.fao.org/indigenouspeoples/pillars-of-work/free--prior-and-informed-consent/en>.

<i>Term</i>	<i>Definition</i>
<b>Geographical boundary of a project or CP</b>	The physical delineation or geographical area that encompasses all sources and sinks under the control of the activity participants, which are significant and reasonably attributable to the project or CP in accordance with the applied methodologies and, where applicable, the applied standardized baselines.
<b>Geographical boundary(ies) of a PoA</b>	Encompasses the municipality, region within a country or several countries within which all the CPs that are included in the PoA are implemented.
<b>Greenhouse gas (GHG)</b>	Those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation. For the purpose of the Article 6.4 mechanism, unless otherwise specified, GHG refers to anthropogenic GHG.
<b>Greenhouse gas reservoir</b>	A component or components of the global climate system where a GHG or a precursor of a GHG is stored. For the purposes of the Article 6.4 mechanism, this term excludes the atmosphere and includes the biosphere, geosphere, and hydrosphere.
<b>High Conservation Value</b>	A biological, ecological, social, or cultural value of outstanding significance or critical importance. <sup>4</sup>
<b>Host Party(ies)</b>	The Party(ies) on whose territory an Article 6.4 activity is physically located.
<b>Indicator of common practice</b>	A quantitative metric, expressed either as the number of units or as capacity/output, used to assess common practice.
<b>Investment analysis</b>	Demonstration that an Article 6.4 activity is not financially viable in the absence of revenues from A6.4ERs.
<b>Involuntary resettlement</b>	A scenario in which affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.
<b>Issuance</b>	The instruction by the Supervisory Body to the Registry Administrator to issue a specified quantity of A6.4ERs for an Article 6.4 activity into the pending account in the Article 6.4 mechanism registry, for subsequent distribution to other accounts in accordance with the Article 6.4 mechanism rules and requirements.
<b>Joint focal point</b>	A focal point role shared by two or more entities for a given scope of authority of communication with the Supervisory Body and the secretariat with respect to an Article 6.4 activity, where one signature of the corresponding authorized signatories of each of the joint focal point entities is necessary to effect any instruction within the scope of authority.

<sup>4</sup> Available at: <https://www.hcvnetwork.org/hcv-approach>.



<i>Term</i>	<i>Definition</i>
<b>Leakage</b>	<p>Changes in anthropogenic emissions and/or removals of GHGs that occur outside the activity boundary and that are attributable to the activity, including those resulting from changes in market demand or supply for associated outputs.</p> <p>Leakage may involve the following sub-forms:</p> <ul style="list-style-type: none"> <li>(a) Positive leakage: Leakage where the implementation of an Article 6.4 activity results in a decrease in emissions and/or an increase in removals;</li> <li>(b) Negative leakage: Leakage where the implementation of an Article 6.4 activity results in an increase in emissions and/or a decrease in removals.</li> </ul>
<b>Least developed country (LDC)</b>	A country identified by the United Nations as meeting the criteria for LDC status.
<b>Legal requirements</b>	Laws, statutes, regulations, court orders, decrees, consent agreements, executive orders, permitting conditions or any other legally binding mandates, noting that regulatory environments may vary.
<b>Level of aggregation</b>	The extent to which consolidation of information from any parts or units to form a collective whole is undertaken.
<b>Level of service</b>	The quality, reliability and scale of an output provided by an Article 6.4 activity and/or in the baseline scenario.
<b>Level of service for meeting basic human needs</b>	The threshold below which an individual is considered to face deprivation of basic human needs.
<b>Local stakeholders</b>	Stakeholders directly impacted by a proposed Article 6.4 activity, including local communities and Indigenous Peoples as applicable, and representatives of local authorities relevant to the Article 6.4 activity.
<b>Material information</b>	A piece of information, the omission, misstatement, or erroneous reporting of which could change a decision by the Supervisory Body.
<b>Materiality</b>	An auditing concept to be applied by DOEs in verifications in order to detect errors, omissions or misstatements in emission reductions and/or net removals being claimed by activity participants in monitoring reports for Article 6.4 activities.
<b>May</b>	A term used in Article 6.4 regulations to indicate what is permitted.

<i>Term</i>	<i>Definition</i>
<b>Methodological Expert Panel (MEP)</b>	A panel established in accordance with paragraph 70, Annex II of the rules of procedure of the Supervisory Body (Decision 7.CMA.4), to support the Supervisory Body in the development, revision or withdrawal of methodological standards, guidelines and clarifications and in other methodological matters applicable to Article 6.4 activities.
<b>Mitigation contribution units (MCUs)</b>	A6.4ERs that are not specified as authorized for use towards the achievement of NDCs of Parties and/or for other international mitigation purposes pursuant to paragraph 29(b) of annex I to 7/CMA.4.
<b>Modalities of communication (MoC) statement</b>	A statement signed by all activity participants of an Article 6.4 project or PoA, set out in a prescribed form, that designates one or more focal point entities to communicate on behalf of the activity participants with the secretariat and the Supervisory Body in accordance with established scopes. Separate entities may be nominated for each scope of authority either in a sole, shared or joint focal point role.
<b>Monitoring</b>	Collecting and archiving all data necessary to determine emission reductions and/or net removals and to ensure that relevant requirements in mechanism methodologies and relevant rules and requirements under the Article 6.4 mechanism are fulfilled.
<b>Monitoring plan</b>	The plan which sets out the methods, data sources and responsibilities for monitoring, consistent with requirements specified in mechanism methodologies, methodological tools and other relevant rules and requirements under the Article 6.4 mechanism.
<b>Monitoring report</b>	A report prepared by activity participants which sets out how the emission reductions and/or net removals of an implemented registered Article 6.4 activity were calculated and how other requirements of the Article 6.4 activity were met for a particular monitoring period.
<b>Negligible risk of reversal</b>	A risk of reversal that would result in a loss of no more than a maximum percentage to be specified in mechanism methodologies on the basis of guidance to be developed in the reversal risk assessment tool of all the A6.4ERs issued with respect to the total emission reductions and/or net removals achieved by the activity during its active crediting period, calculated over a 100-year timeframe starting from no earlier than the end of the last active crediting period.
<b>Net change in emissions in GHG storage</b>	Calculated by subtracting the total emissions in the baseline scenario from the total emissions in the activity scenario calculated from the start date of the period covered by a monitoring report to the end date of the same period. This does not include GHG storage losses from the GHG stored in the reservoirs.

<i>Term</i>	<i>Definition</i>
<b>Net change in GHG storage</b>	Calculated by subtracting the sum of the change in GHG stored in each applicable GHG reservoir in the baseline scenario from the sum of the change in greenhouse gases stored in each applicable GHG reservoir in the activity scenario, calculated from the start date of the period covered by a monitoring report to the end date of the same period.
<b>Non-compliance</b>	Failure to meet Article 6.4 mechanism rules and requirements.
<b>Non-conformity</b>	Non-fulfilment of an Article 6.4 accreditation requirement.
<b>Observed event</b>	An observed event involving the release of stored GHGs that could potentially lead to a reversal.
<b>Other participating Party(ies)</b>	A Party(ies) other than the host Party(ies) that participates in the Article 6.4 activity.
<b>Other transfer or transfer in mechanism registry</b>	The movement of AERs, MCUs or CERs from an account which is not the pending account, unless that transfer is a first transfer as defined above.
<b>Output</b>	Each good or service <sup>5</sup> provided by the Article 6.4 activity and/or in the baseline scenario <sup>6</sup> , as specified in the mechanism methodology.
<b>Outsourced entities</b>	Entities to which the DOE outsources some of the validation or verification/certification functions.
<b>Party</b>	A Party to the Paris Agreement.
<b>Performance-based approach</b>	Demonstration that an Article 6.4 activity is unlikely to be implemented without the incentives from the mechanism if it outperforms other activities in one or several indicator(s) (e.g., an emissions benchmark) that are a good proxy for the likelihood of additionality for the relevant technology or practice.
<b>Physical displacement</b>	Relocation, loss of residential land or loss of shelter.
<b>Policies</b>	All national or sub-national policies that are applicable to the relevant activity and its alternatives, including: policies and legal requirements; subsidies and incentives (e.g., incentives from carbon pricing schemes such as emission trading schemes or from guarantees of origin); taxes and tax breaks; fees; performance standards; or other specified instruments or means of implementation. These also include any specific national or sub-national targets for the sector or the type of activity, as long as these are supported by policy frameworks for implementation, but not general goals (e.g., a national emissions target) that are not specific to the sector or type of activity.

<sup>5</sup> For example, electricity, energy for cooking, municipal waste management.

<sup>6</sup> For example, electricity, energy for cooking, municipal waste management.

<i>Term</i>	<i>Definition</i>
<b>Pool of users</b>	For activities related to outputs, the pool of users consists of the user(s) supplied with the outputs by the activity.
<b>Post-crediting monitoring period</b>	The period that follows the last active crediting period and during which time, activity participants monitor GHG reservoirs for reversals and during which no A6.4ERs can be generated.
<b>Pre-activity scenario</b>	The circumstances and conditions existing immediately prior to the implementation of the Article 6.4 activity at the site where the Article 6.4 activity will be implemented; or the conditions in the absence of policies that refer to or formally integrate the mechanism as an instrument for implementation or, for the case of distributed technologies for households, communities, and/or small and medium enterprises, the existing circumstances and conditions for providing the activity output(s) in the baseline geographical reference area.
<b>Preventive action</b>	In the context of accreditation, is the action to prevent the occurrence of non-conformity(ies) and improve the effectiveness of a process.
<b>Prior consideration</b>	Demonstration that the Article 6.4 mechanism benefits were considered necessary in the decision to undertake the Article 6.4 activity by submitting a “prior consideration notification” to the secretariat.
<b>Project design document (PDD)</b>	The document prepared by the activity participant of an Article 6.4 project which sets out in detail, in accordance with the Article 6.4 rules and requirements, the project which is to be undertaken. The PDD form is publicly available on the UNFCCC website.
<b>Programme of activities (PoA)</b>	A voluntary coordinated action by a private or public entity which coordinates and implements any policy/measure or stated goal (e.g., incentive schemes and voluntary programmes) that leads to emission reductions and/or net removals that are additional to any that would occur in the absence of the PoA, via an unlimited number of CPs.
<b>Programme of activities design document (PoA-DD)</b>	The document prepared by the activity participants of an Article 6.4 PoA which sets out in detail, in accordance with the Article 6.4 rules and requirements, the PoA which is to be undertaken. The PoA-DD form is publicly available on the UNFCCC website.
<b>Rebound effects</b>	An increase in the level of service as a result of the implementation of an Article 6.4 activity, e.g., when introducing energy-efficient appliances.
<b>Registration</b>	The formal acceptance by the Supervisory Body of a proposed Article 6.4 activity that has been validated by a DOE. Registration is the pre-requisite for the verification, certification and issuance of A6.4ERs.

<i>Term</i>	<i>Definition</i>
<b>Registry administrator</b>	The secretariat, in its role to maintain and operate the mechanism registry under the supervision of the Supervisory Body, in accordance with paragraph 65 of the RMPs.
<b>Regulatory analysis</b>	An analysis to demonstrate that the proposed activity represents mitigation that exceeds any mitigation that is required by law or regulation unless the law or regulation refers to or formally integrates the mechanism as an instrument for implementation.
<b>Related body to a DOE</b>	An organization and/or body related to a DOE on the basis of including, but not limited to, family relationships, full or partial common ownership, governance, management or personnel, shared or partially shared resources, finances, contracts, marketing and payment of commission or other inducements for bringing in business or the referral of new clients.
<b>Related sources, sinks and reservoirs</b>	GHG sources, sinks and reservoirs that have material or energy flows into, out of, or within the Article 6.4 activity.
<b>Remaining lifetime</b>	The period during which an equipment would continue operating and/or a certain practice would remain in place without undergoing major repair or overhaul as specified in the mechanism methodology, given limitations such as technical lifetime, economic lifetime, legal requirements, policies, or any other factor which would lead to the discontinuation of the use of the equipment and/or practice.
<b>Removals</b>	The outcomes of processes by which GHG are removed from the atmosphere as a result of deliberate human activities and are either destroyed or durably stored through anthropogenic activities.
<b>Renewal of crediting period</b>	The formal acceptance of the renewal of the crediting period of a registered Article 6.4 project or an included CP validated by a DOE, so as to allow the continued verification, certification and issuance of A6.4ERs, related to that Article 6.4 project or CP in the new crediting period.
<b>Renewal of PoA period</b>	The formal acceptance of the renewal of the PoA period, validated by a DOE, so as to allow the inclusion of new CPs or renewal of the crediting periods of existing CPs in the new PoA period.
<b>Reversal</b>	A net loss in the storage of a GHG or a precursor of a GHG for which A6.4ERs have been issued, calculated across all applicable greenhouse gas reservoir(s) over a period of time covered by a monitoring report.
<b>Reversal risk assessment tool</b>	A methodological tool that is used to determine the fraction of the total number of A6.4ERs to be contributed to the reversal risk buffer pool account and whether an activity faces a negligible risk of reversal.

<i>Term</i>	<i>Definition</i>
<b>Reversal risk buffer pool account</b>	An account established in the mechanism registry which serves to remediate avoidable and unavoidable reversals in full through cancellation of an equivalent amount and authorization status (AER or MCU) of Buffer A6.4ERs.
<b>Sector</b>	A segment of a national economy that delivers defined output(s) (e.g., municipal waste management, household cooking energy, electricity, residential cooling, freight transportation).
<b>Sectoral scope</b>	A group of activities and processes sharing similar sources of GHG emissions or removals.
<b>Shall</b>	A term used in Article 6.4 regulations to indicate requirements to be followed.
<b>Shared focal point</b>	A focal point role shared by two or more entities for a given scope of authority of communication with the Supervisory Body and the secretariat with respect to an Article 6.4 activity, where one signature of the corresponding authorized signatories of any one of the shared focal point entities is sufficient to effect any instruction within the scope of authority.
<b>Should</b>	A term used in Article 6.4 regulations to indicate that among several possibilities, one course of action is recommended as particularly suitable.
<b>Sink</b>	Any process, activity or mechanism which removes a GHG, an aerosol or a precursor of a GHG from the atmosphere.
<b>Sole focal point</b>	A focal point role for a given scope of authority of communication with the Supervisory Body and the secretariat with respect to an Article 6.4 activity, assigned only to one entity and where the signature of one of the corresponding authorized signatories is sufficient to effect any instruction within the said scope of authority.
<b>Source</b>	Any process or activity which releases a GHG, an aerosol or a precursor of a GHG into the atmosphere.
<b>Standardized baseline</b>	A standardization developed on a subnational, national, or group-of-Parties basis rather than on activity-specific basis to facilitate the determination of the baseline, calculation of GHG emission reductions or removals and/or the determination of additionality for Article 6.4 activities, while ensuring environmental integrity within the scope of the standardized baseline.
<b>Start date of crediting period of project, CP</b>	The first date on which verified and certified GHG emission reductions or net GHG removals attributable to a project or CP may result in the issuance of A6.4ERs.
<b>Start date of a PoA period</b>	The earliest date between the expected start date of the PoA period indicated in the prior consideration notification form and the first day of the global stakeholder consultation.

<i>Term</i>	<i>Definition</i>
<b>Start date of a project or CP</b>	The date on which activity participants commit to making expenditures for constructing or modifying the main equipment or facility (e.g., a wind turbine), or for providing or modifying a service (e.g., distribution of energy-efficient light bulbs, change of transport management system) under a proposed Article 6.4 project or CP. If a contract for such expenditures (e.g., for procurement of a wind turbine) is signed, the start date is the date on which the contract is signed. In other cases, it is the date on which such expenditures are incurred. If the proposed A6.4 project or CP involves more than one of such contracts or incurred expenditures, the start date is the earliest of the respective dates. Activities incurring minor pre-project expenses (e.g., feasibility studies, preliminary surveys) are not considered in the determination of the start date.
<b>Substantive check</b>	In the context of registration and issuance, the process undertaken by the secretariat to confirm that all information and reporting requirements have been met by activity participants, DOEs or DNAs, as applicable, in accordance with the Article 6.4 mechanism rules and requirements.
<b>Summary note</b>	A note prepared for the Supervisory Body's consideration by the secretariat on completion of the substantive check which summarizes the secretariat's assessment of whether a request complies with the Article 6.4 rules and requirements and which also provides the secretariat's recommendation on whether the Supervisory Body should approve or reject the request.
<b>Supervisory Body</b>	As defined in Article 6, paragraph 4, of the Paris Agreement, and in paragraph 3 of the annex to Decision 3/CMA.3. The function of the Supervisory Body, whose members are elected by the CMA, is to supervise the Article 6.4 mechanism in accordance with paragraph 24 of the annex to decision 3/CMA.3.
<b>Suppressed demand</b>	A situation where services provided to a population are insufficient to meet the basic human needs due to barriers, such as low income or lack of infrastructure, and where the growth of emissions resulting from meeting such needs requires special consideration in the assessment of Article 6.4 baseline scenarios.
<b>Suppressed demand baseline</b>	A crediting baseline that is established for the provision of services that address basic human needs.
<b>SD objectives and priorities of a host Party</b>	The specific goals, targets, indicators, and priorities that a host Party sets to achieve SD within its borders. These objectives and priorities are typically aligned with the broader principles of sustainability, which aim to balance economic growth, social inclusion, and environmental protection. They are typically articulated in national development plans, policies, and strategies and are designed to address the unique challenges and opportunities within the country.

<i>Term</i>	<i>Definition</i>
<b>Sustainable Development Goals (SDGs)</b>	A set of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. They were established by the United Nations in 2015 as part of the 2030 Agenda for SD. The 17 SDGs build upon the successes of the Millennium Development Goals while incorporating new areas such as climate change, economic inequality, innovation, sustainable consumption, and peace and justice, among other priorities.
<b>Technical area</b>	In the context of accreditation, a subsector of a sectoral scope defined based on the nature of technical processes, applicable methodologies, monitoring requirements and/or environmental impacts.
<b>Technical expert</b>	In the context of validation and/or verification/certification, a qualified person who provides specific technical, methodological, and sectoral knowledge and/or expertise in a validation or verification/certification team or a technical review team.
<b>Technical review</b>	An assessment of a validation or verification/certification opinion and report conducted independent of the validation or verification/certification team that prepared the opinion and report in order to ensure that the validation or verification/certification has been conducted in accordance with all applicable Article 6.4 validation or verification/certification requirements.
<b>Technical reviewer</b>	A qualified person appointed to conduct the technical review in a technical review team.
<b>Technical review team</b>	In the context of accreditation, one or more persons conducting a technical review.
<b>Technology</b>	Equipment or conversion process used for the production of goods or provision of services. It refers to the application of hardware, software or technical processes, such as solar Photovoltaic systems, carbon-capture units, direct air capture systems, pyrolysis reactors or advanced heat-recovery methods, that directly reduce emissions and/or increase removals.
<b>Top management of DOE</b>	Person, group of persons or board that directs and controls the DOE at the highest level.
<b>Unavoidable reversals</b>	The reversals caused by factors over which the activity participants have no influence or control.
<b>Validation</b>	The process of independent evaluation of an Article 6.4 activity by a DOE against the requirements of the Article 6.4 rules and requirements, on the basis of the PDD or PoA-DD and CP-DDs.



<i>Term</i>	<i>Definition</i>
<b>Validation/verification opinion</b>	A DOE's written conclusion regarding its validation or verification, as applicable, of an Article 6.4 activity proposed for registration or of a monitoring report.
<b>Validation or verification/certification personnel</b>	Persons performing validation activities (i.e. validator, team leader, technical expert, and technical reviewer) or verification/certification activities (i.e. verifier, team leader, technical expert and technical reviewer).
<b>Validation or verification/certification team</b>	One or more persons conducting a validation or verification/certification.
<b>Validation or verification/certification team leader</b>	A qualified person appointed to direct and supervise a validation or verification/certification team.
<b>Validator or verifier</b>	A qualified person appointed to conduct a validation or verification/certification in a validation or verification/certification team.
<b>Verification</b>	The periodic independent evaluation of the monitoring report of a registered Article 6.4 activity.

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Document information

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