

# Intersessional work on Art. 6.4 Virtual technical workshop

## “Use of CERS towards first NDC”

22 September 2022



## Mandate and Scope

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- SBSTA requested the secretariat to prepare technical papers without formal status on, *inter alia*, the **processes for implementation** of chapter XI.B of the annex to decision 3/CMA.3 (“Use of certified emission reductions towards first or first updated nationally determined contributions”)
- The technical paper on Use of CERs should be **read together** with:
  - SBI technical paper on impacts of CDM registry => *process for CDM registry to transfer to the 6.4 registry* (pending publication)
  - SBSTA technical paper on the operation of the 6.4 mechanism registry => *process for 6.4 registry to receive CERs and Party retirement account*



## Analysis of processes needed to implement specific provisions

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- 75(a): The CDM project activity or programme of activities was registered on or after 1 January 2013
  - “positive list of eligible projects” whose CERs are eligible for transfer to the A6.4 mechanism registry is known and can be relied upon to implement this specific provision.
- 75(b): The CERs shall be transferred to and held in the mechanism registry and identified as pre-2021 emission reductions
  - Processes for transferring from the CDM registry and receiving in the 6.4 registry are implementable (see additional technical papers for details).
  - Process for identifying as per-2021 can be either relying on CDM serial number (contains CP2 identifier) or could be included in new serial number given to the CER by the 6.4 registry



## Analysis of processes needed to implement specific provisions

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- 75(c): The CERs may be used towards achievement of the first NDC only.
  - CERs are not ITMOs, so there may be unclarity on the process for use of CERs by Parties towards their first NDC
  - The use of the CERs could be implemented and reports as either:
    - Amounts used by the Party in its assessment of achievement of its first NDC with a breakdown of the quantity of CERs used in each year (**reported once at end of NDC**); or
    - Quantity of CERs used in the number of ITMOs used for each year of the NDC period in the structured summary, with a notation on the quantity of CERs used in each year in addition to the ITMOs recorded, as used in the Article 6 database for those years (**reported progressively in each BTR within the first NDC period**);
  - Either option for reporting “use” could be confirmed as part of the review



## Analysis of processes needed to implement specific provisions

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- 75(d): The CDM host Party shall not be required to apply a corresponding adjustment consistently with decision 2/CMA.3 in respect of the CERs and not be subject to the share of proceeds pursuant to chapter VII above (Levy of share of proceeds for adaptation and administrative expenses)
  - This is an exclusion clause that applies to Host Parties, no additional processes are needed to implement
- 75(e): CERs not meeting the conditions referred to in paragraph 75(a)-(d) above may only be used for achievement of an NDC in accordance with a relevant future decision of the CMA
  - The implementation of this provision is beyond the scope of the current mandate
- 75(f): Temporary CERs and long-term CERs shall not be used towards NDCs
  - This is an exclusion clause that these types of CERs are ineligible for transfer to the A6.4 mechanism registry

