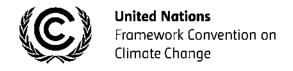
A6.4-SBM015-AA-A07

Revision of regulatory documents for the transition of CDM activities to the Article 6.4 mechanism

Version 01.0



COVER NOTE

1. Procedural background

- 1. Based on requests from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third and fourth sessions,¹ the Supervisory Body, at its sixth meeting,² adopted the "Standard for the transition of CDM activities to the Article 6.4 mechanism" (A6.4-STAN-AC-001)³ (hereinafter referred to as the transition standard) and the "Procedure for the transition of CDM activities to the Article 6.4 mechanism" (A6.4-PROC-AC-001)⁴ (hereinafter referred to as the transition procedure) to operationalize the process for the transition of project activities and programmes of activities (PoAs) registered under the clean development mechanism (CDM), or listed as provisional under the temporary measures adopted by the Executive Board of the CDM, to the Article 6.4 mechanism. The Supervisory Body, at its eighth meeting,⁵ revised the transition standard⁶ and the transition procedure⁻ to elaborate further on some of their provisions, thereby making them fully operational.
- 2. At its sixth session, the CMA decided that afforestation and reforestation (A/R) project activities and PoAs registered under the CDM may transition to the Article 6.4 mechanism and be registered as Article 6.4 activities, subject to the following conditions being met:
 - (a) The request to transition the registered CDM A/R project activity or PoA being made to the secretariat and to the designated national authority (DNA) for the Article 6.4 mechanism, of the CDM host Party by or on behalf of the project participants of a registered CDM A/R project activity or by or on behalf of the coordinating/managing entity (CME) of a registered CDM A/R PoA by no later than 31 December 2025:
 - (b) The approval of a request to transition the registered CDM A/R project activity or PoA being provided to the Supervisory Body by the DNA for the Article 6.4 mechanism, of a CDM host Party by no later than 31 December 2025;
 - (c) The CDM A/R project activity or PoA complying with the rules, modalities and procedures for the Article 6.4 mechanism; the respective applicable requirements

Decision 3/CMA.3. as contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25
Decision 7/CMA.4, annex I, chapters III–VI. Available at: https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=33

Sixth meeting of the Supervisory Body meeting report, paragraph 9. Available at: https://unfccc.int/sites/default/files/resource/a64-sb006_0.pdf

³ See https://unfccc.int/sites/default/files/resource/a64-sb006-a01.pdf

See https://unfccc.int/sites/default/files/resource/a64-sb006-a02.pdf

Eighth meeting of the Supervisory Body meeting report, paragraph 16. Available at: https://unfccc.int/sites/default/files/resource/a64-sb008.pdf

⁶ See https://unfccc.int/sites/default/files/resource/A6.4-STAN-AC-001.pdf

⁷ See https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-001.pdf

for activities involving removals under the mechanism contained in the Supervisory Body standard "Requirements for activities involving removals under the Article 6.4 mechanism"; and any future relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.⁸

- 3. The CMA, at its sixth session, through decision -/CMA.6, paragraph 11, clarified that the statement of authorization 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 Article 6, paragraph 4, emission reductions to be issued for the underlying activity for use towards achievement of nationally determined contributions and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);
 - (b) Does not authorize any Article 6, paragraph 4, emission reductions to be issued for the underlying activity for use towards achievement of nationally determined contributions and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);
 - (c) Allows mitigation contribution Article 6, paragraph 4, emission reductions to be issued for the underlying activity, while noting that the host Party may authorize the Article 6, paragraph 4, emission reductions at a later stage subject to the provisions referred to in paragraph 12 of the decision -/CMA.6.
- 4. Furthermore, the CMA.6 requested the secretariat to develop a template for the statement of authorization, to include the relevant applicable elements contained in paragraph 5 of decision -/CMA.69 in order to enable the identification of authorized Article 6, paragraph 4, emission reductions in the mechanism registry.
- 5. The CMA.6 also decided to exempt Article 6.4 activities in the least developed countries (LDCs) and small island developing States (SIDS) from the share of proceeds for adaptation, while acknowledging that the LDCs and SIDS may choose not to make use of this exemption.
- 6. The Supervisory Body (SBM) at its 11th meeting,¹⁰ adopted the "Procedure: Appeal and grievance processes under the Article 6.4 mechanism" (A6.4-PROC-GOV-006). Relevant provisions in the Procedure will be updated accordingly.¹¹

Decision -/CMA.6 "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" (Advance unedited version), Section VI. Transition of clean development mechanism activities, paragraph 21 (a-c). Available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf.

Decision -/CMA.6, "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" (Advance unedited version). Available at: https://unfccc.int/sites/default/files/resource/CMA6_agenda%20item_15a_AUV.pdf.

^{10 11}th meeting of the Supervisory Body meeting report, paragraph 18. Available at: https://unfccc.int/sites/default/files/resource/a64-sb011.pdf

¹¹ See https://unfccc.int/sites/default/files/resource/A6.4-PROC-GOV-006.pdf

2. Purpose

7. The purpose of the revision to the transition procedure and the transition standard is to incorporate the decisions made by CMA.6 related to the transition of CDM A/R projects and PoAs.

3. Key issues and proposed solutions

- 8. To address the mandate from CMA.6 and in line with previous decisions of the SBM relating to other types of activities, it is proposed that CDM A/R activities requesting transition be allowed to continue applying the approved CDM A/R methodology until the earlier of the end of the current crediting period or PoA period, as applicable, or 31 December 2025. After that date, or in the case of voluntary replacement with an Article 6.4 methodology, CDM A/R activities requesting transition shall apply an Article 6.4 mechanism methodology.
- 9. The CMA.6 decision requires transitioning CDM A/R activities to comply with:
 - (a) The rules, modalities and procedures for the Article 6.4 mechanism;¹²
 - (b) The respective applicable requirements for activities involving removals under the mechanism, contained in the standard "Requirements for activities involving removals under the Article 6.4 mechanism" (A6.4-STAN-METH-002)¹³ adopted by the Supervisory Body;
 - (c) Any future relevant decisions of the CMA;
- 10. In line with these CMA.6 provisions, additional requirements are formulated for CDM A/R activities requesting transition, such as the identification of the risks of reversal, reversal risk assessment, development of a risk mitigation plan, remediation of reversals and post-crediting monitoring, in compliance with the standard "Requirements for activities involving removals under the Article 6.4 mechanism".
- 11. To address the mandate from CMA.6 relating to the content and timing of submission of the statement of authorization by host Parties, it is proposed that transitioning CDM projects and PoAs follow the same process proposed for new Article 6.4 projects and PoAs in accordance with the relevant procedures "Procedure: Article 6.4 activity cycle procedures for projects" (A6.4-PROC-AC-002)¹⁴ and "Procedure: Article 6.4 activity cycle procedure for programmes of activities" (A6.4-PROC-AC-003).¹⁵ The new provisions for authorisation in the project and PoA activity cycle procedures require the submission of statement of authorization at the approval stage or as early as possible thereafter, but prior to the first issuance of A6.4ERs for the project at the latest and the same approach is to be followed for transition activities.
- 12. To address the mandate from CMA.6 to exempt Article 6.4 activities in the least developed countries (LDCs) and small island developing States (SIDS) from the share of proceeds for adaptation, while acknowledging that the LDCs and SIDS may choose not to make use

See Decision 3/CMA.3. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25

¹³ See https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-002.pdf

¹⁴ See https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-002.pdf

¹⁵ See https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-003.pdf

of this exemption the Article 6.4 activity cycle procedures for projects and PoAs provide, at the approval stage, for the LDC and SIDS host Parties, the options to either contribute to the share of proceeds to the adaptation fund or to use the exemption as per CMA.6 decision. The same approach is proposed to be followed for transition requests and the host Party approval form is modified to include such option.

- 13. However, there are some transitioning activities for which the DNA has already submitted its approval and special provisions shall apply for those transition cases. It is proposed that the SBM requests the secretariat to communicate to those host Party SIDS and LDCs that have already provided approval of a CDM activity, to send an updated approval form specifying whether they wish not to make use of the CMA.6 exemption from share of proceeds for adaptation. Such an updated approval form is to be received by 31 December 2025 or at first issuance, whichever is earliest. In the absence of such a statement the exemption will be de facto effected.
- 14. For CDM transition requests that have been published in line with paragraph 14 of version 03.0 of the "Procedure: Transition of CDM activities to the Article 6.4 mechanism" and for which the secretariat has promptly informed the DNAs for the Article 6.4 mechanism and the DNAs for the CDM of the host Parties of the receipt of the revised transition request, the Supervisory Body may wish to request the secretariat to communicate to the host Party that the host Party may consider providing authorization of the use of A6.4ERs and provide the template for authorization that is to be developed by the secretariat at its earliest convenience but at the latest prior to the first issuance of A6.4ERs for the project/PoA and CPAs therein.

4. CDM A/R activities requesting transition continue to apply the approved CDM A/R methodology

- 15. The relevant provisions for demonstration of compliance of the A/R CDM project activity or PoA and the component project activities (CPAs), therein with the applicable requirements for activities involving removals, as contained in the standard "Requirements for activities involving removals under the Article 6.4 mechanism" are provided in the "Standard: Transition of CDM activities to the Article 6.4 mechanism" and are also included in the revised Appendix 3 "Addendum to design document for CDM activity transition request".
- 16. This addendum must be submitted as part of the additional documentation to attest that the CDM A/R project activity, or A/R PoA and A/R CPAs therein, have been implemented in accordance with the registered A/R-PDD (A/R project design document), or A/R-PoA-DD (A/R PoA design document) and A/R-CPA-DDs (A/R CPA design document), as well as to demonstrate compliance with the additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard, including the applicable requirements for activities involving removals contained in the standard "Requirements for activities involving removals under the Article 6.4 mechanism".
- 17. Similar to the transition process for emission reduction CDM project activities, or PoAs and CPAs therein, the attestation in the addendum is a statement that the CDM A/R project activity, or CDM A/R PoA and CPAs therein, have been implemented in accordance with the registered A/R-PDD, or A/R-PoA-DD and A/R-CPA-DDs, and also serves as an attestation of compliance with additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard and, more specifically, with additional requirements of the standard "Requirements for activities"

involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.

- 18. The addendum form will contain the following sections:
 - (a) Identification of risk of reversals. This section shall include identification of and justification for the risks of reversals that may be attributed to the CDM A/R project activity, or CDM A/R PoA and A/R CPAs therein, aligned with the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body. The risks of reversals may be related, inter alia, to:
 - (i) Activity finance and management, asset ownership, and rising opportunity costs:
 - (ii) Regulatory uncertainty and social instability, political, governance and legal risks, acts of terrorism, crime, and war;
 - (iii) Natural disturbances and extreme events such as fires, pests, droughts, hurricanes, floods, landslides, earthquakes, volcanic eruptions, and geological faults and fractures;
 - (iv) Climate change impacts exacerbating any of the above risks;
 - (b) **Reversal risk assessment.** This assessment shall be undertaken in accordance with the provisions of the standard "Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body. The assessment shall calculate an overall percentage-based risk rating that accounts for both avoidable and unavoidable reversals, taking into account, inter alia, the nature, magnitude, likelihood, and duration of the risks.
 - (c) Reversal risk mitigation plan. If a risk of non-permanence is identified, the project participants shall develop and implement a risk mitigation plan, aligned with the corresponding eligibility criteria, to address any risks identified through the reversal risk assessment. This plan shall follow the relevant provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.
 - (d) Remediation of reversals. The project participants shall describe the measures to be implemented to fully remediate reversals, aligned with the corresponding eligibility criteria, including proactive measures to mitigate reversal risks and avoid reversals, as per the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.
 - (e) **Post-crediting period monitoring plan.** The project participants shall describe the monitoring to be undertaken after the end of the last active crediting period of the CDM A/R project activity, or CDM A/R PoA and A/R CPAs therein, to assess whether any reversals have occurred. This monitoring shall be in accordance with the requirements of the selected methodology and/or standardized baseline, the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.

5. Authorization provisions and exemption of LDCs and SIDS from the share of proceeds for adaptation for transitioning CDM activities

- 19. To address the mandate from CMA.6 relating to the content and timing of submission of the statement of authorization by host Parties, it is proposed that transitioning CDM projects and PoAs follow the same process proposed for new Article 6.4 projects in accordance with the relevant procedures "Procedure: Article 6.4 activity cycle procedures for projects" and "Procedure: Article 6.4 activity cycle procedure for programmes of activities". This will ensure consistency between the two types of projects and ensure that the required information is provided at the right time in the project cycle.
- 20. Given that the new provisions for authorization in the project and PoA activity cycle procedures require the submission of the statement of authorization at the approval stage or as early as possible thereafter, but prior to the first issuance of A6.4ERs for the project/PoA and CPAs therein, at the latest, the transitioning activities for which the DNA has already submitted its approval shall have specific transition provisions. Therefore, it is proposed that those host Parties that have already submitted approval for the transition of a CDM project or PoA, are requested, through a communication from the secretariat, to submit the statement of authorization at their earliest convenience but at the latest prior to first issuance.
- 21. Furthermore, to address the CMA decision with regard to the exemption of LDCs and SIDS from the share of proceeds for adaptation, it is proposed that transitioning CDM projects and PoAs follow the same process proposed for new Article 6.4 projects in accordance with the procedures "Procedure: Article 6.4 activity cycle procedures for projects" and "Procedure: Article 6.4 activity cycle procedure for programmes of activities" with respect to the option for LDCs and SIDS to choose not to make use of the exemption of Article 6.4 activities from the share of proceeds for adaptation hosted in the LDCs and SIDS. This will ensure consistency between the two types of projects and ensure that the required information is provided at the right time in the project cycle.
- 22. However, those LDC and SIDS host Parties that have already submitted approval for the transition of a CDM project or PoA may wish to submit an updated approval form, by 31 December 2025 or by first issuance, whichever is earlier, indicating whether they wish not to make use of the exemption of Article 6.4 activities from the share of proceeds for adaptation hosted in the LDCs and SIDS. Otherwise, the exemption of the share of proceeds for adaptation that was granted by CMA.6, paragraph 20, will be effected.

6. Appeal and grievance procedure

23. The revision of the procedure will reflect the new provisions of the "Procedure: Appeal and grievance processes under the Article 6.4 mechanism" to allow eligible stakeholders the possibility of appeals and grievances.

7. Analysis of advantages and disadvantages

7.1. CDM A/R transition

24. The main advantage of the proposed solutions is that the process for transitioning of CDM A/R project activities and PoAs is expedited by requiring project participants to prepare only the addendum specific for CDM A/R activities, without imposing the need to apply a mechanism methodology that has not yet been approved by the SBM. This approach is also consistent with decisions taken by the SBM regarding the transition of emission reduction CDM activities.

- 25. However, requesting project participants to fill in the addendum form for CDM A/R activities without any further third-party review may shift the burden of assessing compliance of the transitioned CDM A/R activity with the requirements for activities involving removals in the standard "Requirements for activities involving removals under the Article 6.4 mechanism" onto the secretariat's completeness and substantive assessments.
- 26. Therefore, two options are proposed to address the issue outlined in the paragraph above:
 - Option 1: Provide project participants with two scenarios: The first scenario is to submit the required additional information validated by an accredited designated operational entity (DOE), which would assess the compliance of the information in the addendum with the requirements for activities involving removals in the standard "Requirements for activities involving removals under the Article 6.4 mechanism". The second scenario is to allow project participants to submit nonvalidated additional documentation at the request-for-transition stage and then undergo verification by an accredited DOE of the project's implementation and monitoring, together with an ex-post assessment and validation of compliance of the additional information with the applicable requirements of the standard "Requirements for activities involving removals under the Article 6.4 mechanism". This scenario will ensure that, prior to any issuance of the achieved A6.4ERs, the compliance with the additional specific requirements pursuant to the standard "Requirements for activities involving removals under the Article 6.4 mechanism" undergoes a robust, third-party independent assessment and validation, either exante or ex-post. At the same time, the scenario provides flexibility for project participants, allowing them to choose whether to undergo the assessment and validation ex-ante or ex-post. Thus, project participants may decide to either invest additional time and effort and incur the associated transactional costs up front, at the time of submitting the additional documentation, or accept the risk of an expost assessment and validation of their compliance with additional removals requirements at the first verification, before requesting issuance of the A6.4ERs;
 - (b) **Option 2:** Require that the project participants shall have the additional information validated by an accredited DOE, which would assess and validate the compliance of the information in the addendum with the requirements for activities involving removals in the standard "Requirements for activities involving removals under the Article 6.4 mechanism". This scenario will ensure that ex-ante validation of the compliance of the additional specific requirements pursuant to the standard "Requirements for activities involving removals under the Article 6.4 mechanism" is undertaken prior to the transition of the CDM A/R activities. This scenario provides insurance of conformity with the requirements of the removal standard prior to any decision on the transition of a CDM AR project or PoA. However, it may create a bottle neck and hinder transition of the CDM A/R projects or PoAs due to potential unavailability or limited availability of DOEs accredited and able to validate this specific sectoral scope.

7.2. Authorization provisions and exemption of LDCs and SIDS from the share of proceeds for adaptation

27. The proposed revisions with regard to the authorization provisions and the exemption of the LDC and SIDS host Parties provide a clean solution in terms of consistency of the process of transitioning CDM activities with the process followed for new Article 6.4

activities. It also provides a solution for the early movers in a way that is not too restrictive but would allow provision of the required information at the right time.

8. Other proposed changes

- 28. One additional change proposed in the revision of the procedure is to clarify, in paragraph 33(b) of the previous version, that when a review of a request for transition is requested and the SBM proposes modifications in the additional documentation, those modifications must be implemented by project participants if they agree with them.
- 29. Additional changes to the transition standard relate to the inclusion of the relevant crediting period for activities involving removals.

9. Impacts

30. The revised procedure and standard enable project participants to submit transition requests for a CDM A/R project activity, or CDM A/R PoA and A/R CPAs therein and sets out the process and requirements for their consideration and potential finalization by the Supervisory Body. They also provide for provisions for authorization of the use of A6.4 ERs and effect the exemption of the LDCs and SIDS from share of proceeds. They also clarify and complement existing provisions.

10. Subsequent work and timelines

31. The secretariat will take the necessary steps to operationalize and implement the provisions adopted in the revised documents.

11. Recommendations to the Supervisory Body

32. The secretariat recommends that the Supervisory Body consider and adopt the revised procedure and standard.

Appendix 1. Draft Procedure: Transition of CDM activities to the Article 6.4 mechanism (version 04.0)

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1. Background

- 1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism). Chapter XI.A of the RMPs contains provisions that allow transition of project activities and programmes of activities (PoAs) registered under the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol or listed as provisional as per the temporary measures adopted by the Executive Board of the CDM² (hereinafter referred to as provisional requests) to the Article 6.4 mechanism.
- 2. The CMA, at its fourth session, elaborated key conditions and processes for such transition.³ At the same session, the CMA also requested⁴ the Supervisory Body to facilitate the tasks related to the transition of CDM activities to the Article 6.4 mechanism by:
 - (a) Developing and operationalizing a procedure for requesting transition, which includes relevant forms, by no later than June 2023;
 - (b) Developing and operationalizing the transition process and reporting back to the CMA at its fifth session.
- 2_{bis.} The CMA, at its sixth session⁵, decided that afforestation and reforestation project activities and PoAs registered under the CDM may transition to the Article 6.4 mechanism, and be registered as Article 6.4 activities. The CMA also elaborated key conditions for such a transition.
- 3. Pursuant to its mandate from the CMA to operationalize the transition process, the Supervisory Body has adopted the "Standard: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as the transition standard) and the "Procedure: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as this procedure) and relevant forms as contained in this document.

2. Scope

4. This procedure sets out procedural steps for CDM project activities, PoAs and component project activities (CPAs) therein to transition to the Article 6.4 mechanism, as well as

Decision 3/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/sites/default/files/resource/cma2021 10a01E.pdf

² At its 108th meeting (see paragraphs 7–8 of the meeting report) and later clarified in the document entitled "Clarification: Regulatory requirements under temporary measures for post-2020 cases" available at http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220314132358671/Reg_Clar03v02.pdf.

Decision 7/CMA.4, annex I, chapter I, in document FCCC/PA/CMA/2022/10/Add.2. Available at: https://unfccc.int/sites/default/files/resource/cma2023 10a02E.pdf

⁴ Decision 7/CMA.4, paragraph 23.

Decision -/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" (Advance unedited version). Available at: https://unfccc.int/sites/default/files/resource/CMA 6 agenda%20item15b AUV 2.pdf

corresponding procedural steps for provisional requests to be finalized under the Article 6.4 mechanism.

3. Entry into force

5. This version of this procedure enters into force on 48 July 2024[Date Month Year].

4. Terms and definitions

- 6. The following terms apply in this procedure:
 - (a) "Shall" is used to indicate requirements to be followed;
 - (b) "Should" is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
 - (c) "May" is used to indicate what is permitted;
 - (d) "The project participant" shall be read as the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the "CDM project cycle procedure for project activities" and the "CDM project cycle procedure for programmes of activities", respectively"; ⁶
 - (e) "CDM project activity", "PoA" and "CPAs" encompass CDM emission reduction and A/R CDM A/R activities, unless otherwise specified;
 - (f) "PDD", "PoA-DD" and "CPA-DD" encompass the respective forms for CDM emission reduction and A/R CDM A/R activities, unless otherwise specified.

5. Process for transition

5.1. Submission of transition request

7. The project participant of a CDM project activity or PoA other than a CDM A/R project activity or CDM A/R PoA and CPAs therein, that is eligible for transition to the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard shall, if it wishes for such transition, submit a request for transition to indicate the wish of transition to the secretariat through a dedicated interface on the UNFCCC website, providing the information in the form contained in appendix 1,⁷ by 31 December 2023, 24:00 (Central European Time).

In accordance with paragraph 42 of the "CDM project cycle procedure for project activities" (version 03.0) and paragraph 33 of the "CDM project cycle procedure for programmes of activities" (version 03.0), the focal point entities designated by the project participants for scope (c) are granted the authority to communicate on their behalf with the Board and the secretariat on all other project-related matters not covered by: (a) communication in relation to requests for forwarding of certified emission reductions to individual accounts of the project participants; or (b) communication in relation to requests for addition and/or voluntary withdrawal of the project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures.

⁷ The secretariat may convert the form into an electronic interface.

- 7_{bis.} The project participant of a CDM A/R project activity or CDM A/R PoA and the CPAs therein, that is eligible for transition to the Article 6.4 mechanism in accordance with the relevant provisions of the transition standard shall, if it wishes to transition, submit a request to the secretariat through a dedicated interface on the UNFCCC website. The participant shall provide the information in the form contained in Appendix 1 by 31 December 2025, at 24:00 hours (Central European Time).
- 8. In requesting the transition of a CDM PoA that had included CPAs under the CDM, the project participant shall specify which of the included CPAs that are eligible for transition to the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard it wishes to transition to the Article 6.4 mechanism. CPAs included in a PoA under the CDM may transition to the Article 6.4 mechanism in conjunction with, or subsequent to, the transition of the PoA to the Article 6.4 mechanism.
- 9. The secretariat shall check the completeness of the information provided in the submitted request for transition and, if found complete, publish the request on the UNFCCC website providing the web link to the project information page of the CDM project activity or CDM PoA on the UNFCCC CDM website, and assigning a unique reference number(s) that enable(s) the identification of the CDM project activity, or PoA and CPAs therein, transitioned to the Article 6.4 mechanism, distinguishing them from new activities registered under the Article 6.4 mechanism. If found incomplete, the secretariat shall promptly notify the reason for the incompleteness to the project participant. The project participant shall submit a corrected request for transition within 14 days of the notification; otherwise the secretariat shall reject the request.
- 10. After publishing the request for transition on the UNFCCC website, the secretariat shall promptly inform the DNA for the Article 6.4 mechanism and the DNA for the CDM of the host Party of the CDM project activity or PoA of the receipt of the request. If the host Party has not yet established the DNA for the Article 6.4 mechanism, the secretariat shall inform its national focal point to the UNFCCC (hereinafter collectively referred to as the DNA for the Article 6.4 mechanism) of the request.⁸ With this, the request for transition shall be deemed as having been submitted by the project participants to both the secretariat and the host Party in accordance with paragraph 73(a) of the RMPs.

5.2. Global stakeholder consultation

- 11. Parties, stakeholders and UNFCCC admitted observer organizations may submit comments, in English, on the transition of the CDM project activity, or PoA and CPAs therein, to the secretariat through a dedicated interface on the UNFCCC website within 28 days of the publication of the request for transition on the UNFCCC website. The submitters of the comments shall provide the names and contact details of the individuals or organizations on whose behalf the comments are submitted. Comments from stakeholders shall:
 - (a) Be specific to the CDM project activity, or PoA and CPAs therein, being requested for transition;
 - (b) Be related to the compliance with applicable rules and regulations for transition.

The contacts of national focal points of Parties to the UNFCCC are listed at: https://unfccc.int/process/parties-non-party-stakeholders/parties/national-focal-point.

- 12. The secretariat shall make the comments that meet the requirements in paragraph 11 above publicly available on the UNFCCC website where the transition request is displayed and inform the Supervisory Body and the DNAs of the host Party and other Parties involved that the comments have been made public.
- 13. For a CDM PoA being requested for transition, after the global stakeholder consultation but before the approval by the host Party of the transition in accordance with section 5.3 below, the project participants may:
 - (a) Add eligible CPAs not specified in the initial transition request referred to in paragraph 8 above; and/or
 - (b) Remove from the transition request any CPAs specified in the initial transition request.
- 14. For the cases referred to in paragraph 13 above, the project participants shall submit a revised transition request to the secretariat through the dedicated interface on the UNFCCC website referred to in paragraphs 7 above or 7_{b/s.} above, reflecting the addition and/or removal of CPAs that they wish to transition to the Article 6.4 mechanism in conjunction with, or subsequent to, the transition of the PoA. The secretariat shall check the completeness of the revised transition request and, if it is found to be complete, shall publish it on the UNFCCC website, replacing the initial transition request, and promptly inform the DNAs for the Article 6.4 mechanism and the DNAs for the CDM of the host Parties of the receipt of the revised transition request. The revised transition request is not required to undergo a new global stakeholder consultation.

5.3. Submission of host Party approval

- 15. The host Party of the CDM project activity, or PoA and CPAs therein, regarding which a request for transition has been published on the UNFCCC website shall, if it approves such transition, submit an approval of transition from its DNA for the Article 6.4 mechanism to the Supervisory Body through a dedicated interface on the UNFCCC website, providing the information in the form contained in appendix 2,9 by 31 December 2025, 24:00 (Central European Time).
- 15_{bis.} As part of the approval, the least developed countries (LDCs) and small island developing States (SIDS) may include information in the approval form, contained in appendix 2, on whether they choose not to exempt the CDM project activity or PoA and CPAs therein, hosted in their territories and requesting transition, from the share of proceeds for adaptation.
- 15_{ter.} Notwithstanding paragraph 15_{bis} above, if an LDC or SIDS host Party approval has already been provided for a CDM project activity or PoA and CPAs therein hosted in their territories and requesting transition, by the time of entry of force of version 3 of this procedure, the LDCs and SIDS, may provide information on whether they choose not to exempt the CDM project activity or PoA and CPAs therein from the share of proceeds for adaptation by resubmitting the approval form at the latest by 31 December 2025 or at first issuance, whichever is earlier. If no such information is received by the deadline, the exemption from the share of proceeds for adaptation shall be effected.

⁹ The secretariat may convert the form into an electronic interface.

- 16. A multi-country PoA may transition to the Article 6.4 mechanism provided that at least one host Party has provided approval within the deadline referred to in paragraph 15 above. If there is more than one host Party for a CDM PoA¹⁰ being requested for transition, only the CPAs in the host Parties that have submitted an approval of transition by the deadline may transition to the Article 6.4 mechanism in conjunction with, or subsequent to, the transition of the PoA.
- 17. The project participant or DOE (hereinafter collectively referred to as the proponent) may proceed with the submission of the additional documentation referred to in section 5.4 below after at least one host Party has submitted an approval of transition. If the proponent wishes to transition any of the CPAs specified in the transition request subsequent to the transition of the CDM PoA, the proponent shall prepare the additional documentation referred to in section 5.4 below for each such transition request of CPAs.
- 18. The host Party may submit an approval of transition only after it has fulfilled the requirements for participating in the Article 6.4 mechanism referred to in paragraph 26 of the RMPs by demonstrating the fulfilment in accordance with the relevant provisions in the "Article 6.4 activity cycle procedure for projects" or the "Article 6.4 activity cycle procedure for programmes of activities", as applicable.
- 19. [Placeholder for possible provisions on the submission of the statement of authorization on the use of A6.4ERs that will be issued for the proposed A6.4 project]¹⁴ If the host Party approves the transition, it shall provide a statement of authorization on the use of A6.4ERs to be issued for the project or PoA and CPAs therein in conjunction with the approval of the transition or as early as possible thereafter, but prior to the first issuance of A6.4ERs for the project, PoA and CPAs therein, at the latest. The host Party shall provide such a statement by completing a form, through a dedicated interface on the UNFCCC website.
- 19_{quater}. If the host Party has indicated that it allows mitigation contribution A6.4ERs to be issued for the project or PoA and CPAs therein, while noting that it may authorize the A6.4ERs at a later stage, the respective rules and requirements shall be applied as per the respective provisions of the procedures "Procedure: Article 6.4 activity cycle procedures for projects" and "Procedure: Article 6.4 activity cycle procedure for programmes of activities".
- 20. The secretariat shall publish the host Party approval of transition on the UNFCCC website and promptly inform the project participant of the receipt of such approval.

5.4. Submission of additional documentation

21. If the project participant continues to apply the currently applied CDM methodology to the transitioning CDM project activity, or PoA and CPAs therein, in accordance with the relevant provisions in the transition standard, it shall, within 180 days of the publication of the host Party approval of transition in accordance with paragraph 20 above, submit to the secretariat, through a dedicated interface on the UNFCCC website, an addendum to the respective project design document (PDD), or PoA design document (PoA-DD) and CPA

Under the CDM, a PoA may be designed beyond the border of a country and thus could have more than one host Party, while a project activity shall be designed within the border of a country and thus will always have only one host Party.

¹¹ This placeholder may be developed based on the relevant guidance of the CMA.

design documents (CPA-DDs), using the form contained in appendix 3¹² to attest that the CDM project activity, or PoA and CPAs therein, have been implemented in accordance with the registered PDD, or PoA-DD and CPA-DDs, as well as to demonstrate the compliance with additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard. With the attestation in the addendum, the relevant PDD, or PoA-DD and CPA-DDs, shall be deemed submitted by the project participant.

Option 1: Provisions for CDM A/R project activities, PoAs and CPAs to validate ex-ante additional removals requirements or to verify and validate them prior to issuance

- 21_{bis.} Notwithstanding paragraph 21, for CDM A/R project activities or CDM A/R PoAs and the CPAs therein requesting transition, where additional requirements for removals under the standard "Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body apply, to ensure compliance with additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions of the transition standard, the project participants shall choose one of the following:
 - (a) The project participants shall submit the addendum to the respective PDD, PoA-DD and CPA-DDs, along with any other supporting documentation required under the transition standard, to a DOE accredited in the relevant sectoral scope(s). The DOE shall perform validation of the transition request to assess compliance with additional requirements for registration under the Article 6.4 mechanism, in accordance with the relevant provisions in the transition standard. Upon completion of the validation by the DOE, the project participants shall submit to the secretariat the required additional documentation, the validation report from the DOE and any other supporting documents, or
 - (b) The project participants shall submit the addendum to the respective PDD, PoA-DD and CPA-DDs, along with any other supporting documentation required under the transition standard, directly to the secretariat. In this case, an ex-ante validation of the additional documentation is not required. Such validation will occur at the verification stage, during which a DOE accredited in the relevant sectoral scope(s) shall perform validation and assess compliance with the additional requirements for registration under the Article 6.4 mechanism, in accordance with the relevant provisions in the transition standard, alongside the verification of the project or PoA's implementation and monitoring prior to the submission of the first request for issuance, following the successful registration of the activity under the Article 6.4 mechanism.

Option 2: Mandatory validation ex-ante of additional removals requirements for CDM A/R project activities, PoAs and CPAs

21 ter. Notwithstanding paragraph 21, in the case of CDM A/R project activity or CDM A/R PoA and the CPAs therein, where additional requirements for removals under the standard "Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body apply, the project participants shall submit the addendum to the respective PDD, PoA-DD and CPA-DDs, along with any other supporting documentation required under the

¹² The secretariat may convert this form into an electronic interface for the submission of the addendum.

transition standard, to a DOE accredited in the relevant sectoral scope(s). The DOE shall perform validation of the transition request to assess compliance with additional requirements for registration under the Article 6.4 mechanism, in accordance with the relevant provisions in the transition standard. Upon completion of the validation by the DOE, the project participants shall submit to the secretariat the required additional documentation, the validation report from the DOE and any other supporting documents.

- 21_{quater.} Notwithstanding paragraph 21 above, if the project participants submit the addendum to the respective PDD, PoA-DD and CPA-DDs, together with any other supporting documentation required under the transition standard, to a DOE to perform validation of the transition request pursuant to paragraph [21(a)_{bis}][21_{ter}]above, the DOE shall submit the addendum to the secretariat within one year of the publication of the host Party approval of transition in accordance with paragraph 20 above.
- 22. If the project participant voluntarily replaces, or is required to replace, the CDM methodology currently applied to the transitioning CDM project activity, or PoA and CPAs therein, with an Article 6.4 mechanism methodology (hereinafter referred to as mechanism methodology) in accordance with the relevant provisions in the transition standard, it shall revise the PDD, or PoA-DD and CPA-DDs, accordingly, using the corresponding forms developed for Article 6.4 mechanism activities, and request a DOE accredited in the relevant sectoral scope under the Article 6.4 mechanism to validate them to demonstrate appropriate application of the mechanism methodology and the compliance with additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard. If the validation outcome is positive (i.e. the mechanism methodology is appropriately applied and the compliance with additional requirements for registration under the Article 6.4 mechanism is demonstrated), the DOE shall, within one year of the publication of the host Party approval of transition in accordance with paragraph 20 above or within one year after the applicable mechanism methodology becomes available, whichever is later, submit to the secretariat, through a dedicated interface on the UNFCCC website, the revised PDD, or PoA-DD and CPA-DDs, as well as the validation report.

5.5. Processing of transition request

- 23. The secretariat shall, upon receipt of the additional documentation referred to in paragraph 21 or 22 above, issue a statement of the transition fee due, determined based on the following principles, and shall communicate it to the project participant or the DOE who submitted the additional documentation (hereinafter collectively referred to as the proponent):
 - (a) Requests for transition of CDM project activities, PoAs and CPAs are subject to the share of proceeds applicable to requests for registration of projects and PoAs and inclusion of component projects (CPs), respectively, under the Article 6.4 mechanism;¹³
 - (b) All fees for requests for registration, issuance, renewal and post-registration changes to project activities and PoAs as well as inclusion of CPs under the Article 6.4 mechanism are waived for activities in least developed countries and small island developing States.¹⁴

¹³ In accordance with decision 7/CMA.4, annex I, paragraph 14(a).

¹⁴ In accordance with decision 7/CMA.4, annex I, paragraph 58.

- 24. The project participant shall pay the transition fee by bank transfer, quoting the unique reference number(s) referred to in paragraph 9 above. The project participant shall submit a proof of payment (e.g. bank transfer record) through a dedicated interface on the UNFCCC website.
- 25. The paid transition fee may be reimbursed in full or partially if the request for transition is withdrawn by the proponent in accordance with section 7 below or rejected by the Supervisory Body in line with the corresponding provisions on the reimbursement of the registration fee as contained in the "Article 6.4 activity cycle procedure for projects" or the "Article 6.4 activity cycle procedure for programmes of activities".
- 26. The secretariat shall, upon receipt of the proof of payment of the transition fee if it is due, or upon receipt of the additional documentation if the transition fee is not due, commence the completeness check of the additional documentation for transition requests for CDM project activity, or PoA and CPAs for which the host Party(ies) provided approval as per section 5.3 above. To commence the completeness check, the secretariat shall prioritize requests for transition for small-scale CDM project activities and CDM PoAs.
- 27. The secretariat shall conclude the completeness check within seven days of its commencement. If, during the completeness check, the secretariat identifies issues of an editorial nature or of consistency in the documentation, it shall request the proponent to submit revised documents to correct them. In this case, the proponent shall submit the requested documents within two days of receipt of the request. Upon receipt of the revised documents, the secretariat shall resume¹⁵ the completeness check. If the proponent does not submit the requested documents by this deadline, the secretariat shall conclude that the request submission is incomplete and inform the proponent that the request for transition cannot be processed any further. The proponent may restart the process by submitting the additional documentation again with the revised documents in accordance with section 5.4 above, which is subject to a new transition fee.
- 28. Upon positive conclusion of the completeness check, the secretariat shall commence the substantive check of the additional documentation to determine whether the transitioning CDM project activity, or PoA and CPAs therein, complies with the relevant requirements for transition contained in the transition standard within 21 days of its commencement. Upon conclusion of the substantive check, the secretariat shall publish the additional documentation and indicate the completion of the substantive check on the UNFCCC website and notify the host Party and the Supervisory Body of the completion of the substantive check to initiate the review process in accordance with section 5.6 below. If, during the substantive check, the secretariat identifies substantive issues that may be resolved by revising the additional documentation, it shall request the proponent to submit revised documents to resolve them. In this case, the proponent shall submit the requested documents within four-seven days of receipt of the request. Upon receipt of the revised documents, the secretariat shall resume 16 the substantive check. If the proponent does not submit the requested documents by this deadline, the secretariat shall conclude that the request submission is incomplete

¹⁵ The same deadlines apply to the resumed completeness check as applicable to the initial completeness check.

¹⁶ The same deadlines apply to the resumed substantive check as to the initial substantive check.

29. The secretariat shall prepare and send to the Supervisory Body a summary note on the transition request, summarizing its findings in respect of the compliance with the relevant requirements for transition contained in the transition standard and including its recommendation whether to approve the requested transition within 14 days of the date of publication of the additional documentation.

5.6. Requesting review of transition request

- 30. The host Party of the transitioning CDM project activity or PoA, or any member or alternate member of the Supervisory Body, may request a review of the request for transition within 28 days of receipt of the notification of the completion of the substantive check in accordance with paragraph 28 above, through a dedicated interface on the UNFCCC website, providing reasons for requesting a review.
- 31. If a review of the request for transition is requested by the host Party or any member or alternate member of the Supervisory Body, the secretariat shall:
 - (a) nNotify the proponent that the request is under review;
 - (b) iIndicate such status on the UNFCCC website; and request the proponent and/or the DOE to: present the case to the Supervisory Body ate its next meeting or electronically.
 - (i) Provide responses to the issues identified in the request for review no later than seven days from the date of notification that the request has been placed under review;
 - (ii) For each issue (or sub-issue) raised in the request for review, the proponent and/or the DOE (if applicable) shall either:
 - Respond by making any revisions that they deem necessary to the relevant documentation; submitting revised documents in track changes and final versions; or
 - b. Respond in writing, explaining why no revisions to the documentation are necessary.
- 31_{bis.} The secretariat shall present the case to the Supervisory Body at its next meeting or electronically.
- For cases applying additional requirements or a new Article 6.4 methodology, as set out in paragraphs 21(a)_{bis} above and 22 above respectively, the review process shall follow the procedures specified in the "Article 6.4 activity cycle procedure for projects" and the "Article 6.4 activity cycle procedure for PoAs", as applicable.

5.7. Finalizing transition request

- 32. If no review of the request for transition is requested by the deadline referred to in paragraph 30 above, the request for transition shall be deemed approved by the Supervisory Body.
- 32_{bis.} Stakeholders, project participants, the host Party or other participating Parties (hereinafter referred to as "eligible individuals, communities and organizations that have standing for

filling an appeal") may, in accordance with the appeal and grievance procedure,¹⁷ file an appeal to the Supervisory Body's decision to approve the transition¹⁸ within 28 days of the request for transition being deemed approved. If no appeal is filed by an eligible stakeholder, project participant or Party within this time frame, the transition shall be deemed final. If an appeal is filed by an eligible stakeholder, project participant or Party within this time frame, the appeal and grievance procedure shall be followed.

- 33. If a review of the request for transition is requested, the Supervisory Body shall review the request and take one of the following decisions, taking into account the presentation on the case by the secretariat:
 - (a) Approve the request as in the additional documentation;
 - (b) Conditionally Aapprove the request, provided that the project participants agree with to the modifications to the additional documentation proposed by the Supervisory Body, pending the proponent's agreement with the modifications;
 - (c) Reject the request.
- 34. For the case referred to in paragraph 33(b) above, if the proponent does not agree with the modification within seven days of the decision, the request shall be deemed rejected by the Supervisory Body.
- 35. The secretariat shall notify the decision of the Supervisory Body to the proponent, and the host Party and the DOE (if applicable) and indicate it on the UNFCCC website.
- 36. If the decision of the Supervisory Body is to reject the request for transition, the proponent may not resubmit a request for transition of the same CDM project activity, or PoA and CPAs therein.
- 37. If the decision of the Supervisory Body is to approve the transition of the CDM project activity, or PoA and CPAs therein, the secretariat shall inform the Executive Board of the CDM of the decision. The secretariat shall register the activity under the Article 6.4 mechanism, to be effective on the day it is deregistered from the CDM.
- Eligible stakeholders, project participants and Parties may, in accordance with the appeal and grievance procedure, file an appeal against the decision of the Supervisory Body within 28 days of the decision. If no appeal is filed by an eligible stakeholder, project participant or Party within this time frame, the decision of the Supervisory Body shall be deemed final. If an appeal is filed by an eligible stakeholder, project participant or Party within this time frame, the appeal and grievance procedure shall be followed.
- 38. Irrespective of the effective date of transition, the crediting period of the transitioned project activity and CPAs as well as the PoA period of the transitioned PoA under the Article 6.4 mechanism shall start from 1 January 2021.
- 39. Once registered under the Article 6.4 mechanism, the transitioned project activities, PoAs and CPAs for which the host Party(ies) provided approval as per section 5.3 above shall be subject to all relevant requirements under the Article 6.4 mechanism at all subsequent

¹⁷ "Procedure: Appeal and grievance processes under the Article 6.4 mechanism" (A6.4-PROC-GOV-006). See https://unfccc.int/sites/default/files/resource/A6.4-PROC-GOV-006.pdf

For finalization of the provisional request for issuance the deadline is 14 days as per the "Procedure: Appeal and grievance processes under the Article 6.4 mechanism".

steps in the activity cycle of the Article 6.4 mechanism, taking into account the relevant provisions in the transition standard.

- 40. For a multi-country PoA that has transitioned to the Article 6.4 mechanism, if the transition is processed without having an approval of transition by all host Parties:
 - (a) Any remaining host Parties may be added to the PoA and the CPAs hosted in those countries may transition to the Article 6.4 mechanism after the transition of the PoA in accordance with paragraph 16 above;
 - (b) If any remaining host Parties miss the deadline for providing an approval of transition referred to in paragraph 15 above, addition of these host Parties to the PoA is still possible by undergoing the post-registration change process under the Article 6.4 mechanism, but the CPAs hosted by these countries and included in the transition request may no longer transition to the Article 6.4 mechanism;
 - (c) A new host Party may be added to the transitioned PoA in accordance with the relevant provisions under the Article 6.4 mechanism.

6. Process for finalizing provisional requests

- 41. Process for finalization of provisional requests shall follow the provisions in section 5 above, mutatis mutandis, with the following modifications:
 - (a) The project participant may submit a request for finalization of a provisional request for issuance under the transition procedure if the underlying CDM project activity or PoA continues to apply the currently applied CDM methodology at transition, and only after the Supervisory Body has approved the transition of the underlying CDM project activity, or PoA and CPAs therein, to the Article 6.4 mechanism. In this case, the deadline for submission for the transition request referred to in paragraph 7 above is not applicable and additional documentation to be submitted in accordance with paragraph 21 above shall be a revised monitoring report instead of an addendum to the PDD, or PoA-DD and CPA-DDs, applying the global warming potentials for the period from 1 January 2021 as specified in the transition standard;
 - (b) Provisional inclusion of CPAs may be finalized if the underlying CDM PoA continues to apply the currently applied CDM methodology at transition, and only in conjunction, or subsequent to, with the transition of the CDM PoA to the Article 6.4 mechanism. For this reason, the project participant shall include provisionally included CPAs in the request for transition of the underlying CDM PoA in accordance with section 5 above;
 - (c) For finalization of the provisional request for issuance ¹⁹ and the provisional inclusion of CPAs²⁰ referred to in subparagraphs (a) and (b) above, respectively,

A request for finalization of a provisional request for issuance may be finalized after the underlying CDM project activity, or after the underlying PoA and CPAs therein, has successfully transitioned to the Article 6.4 mechanism in accordance with paragraph 41(a) above, for which the host Party approval has been provided.

²⁰ A request for finalization of a provisional inclusion of a CPA may be finalized only in conjunction with, or subsequent to, the underlying PoA has successfully transitioned to the Article 6.4 mechanism in accordance with paragraph 41(b) above, for which the host Party approval has been provided.

- an approval of the finalization by the host Party shall not be required; therefore, section 5.3 above shall be skipped;
- (d) The project participant may not submit a request for finalization of the following provisional requests, noting that the corresponding requests may be submitted under the Article 6.4 mechanism in accordance with the relevant requirements and processes applicable to any Article 6.4 mechanism activities, after the Supervisory Body has approved the transition of the underlying CDM project activity, or PoA and CPAs therein, to the Article 6.4 mechanism:
 - (i) Provisional requests for issuance if the underlying CDM project activity, or PoA and CPAs therein, voluntarily replaced, or were required to replace, the currently applied CDM methodology with a mechanism methodology in accordance with paragraph 22 above;
 - (ii) Provisional requests for renewal;
- (e) The fee for finalization of a provisional request shall be determined based on the following principles:²¹
 - (i) Requests for finalization of provisional requests for registration of project activities and PoAs are subject to the share of proceeds applicable to requests for registration of projects and PoAs, respectively, under the Article 6.4 mechanism;
 - (ii) Requests for finalization of provisional inclusion of CPAs are subject to the share of proceeds applicable to inclusion of CPs in a registered PoA under the Article 6.4 mechanism;
 - (iii) Requests for finalization of provisional requests for issuance are subject to the share of proceeds applicable to requests for issuance under the Article 6.4 mechanism:
 - (iv) All fees for requests for registration, issuance, renewal and post-registration changes to project activities and PoAs as well as inclusion of CPs under the Article 6.4 mechanism are waived for activities in least developed countries and small island developing States.

7. Withdrawal of transition request

7.1. Submission of request for withdrawal

42. The proponent may submit a request for withdrawal of a request for transition to the secretariat through a dedicated interface on the UNFCCC website.

7.2. Processing of request for withdrawal

43. Upon receipt of the request for withdrawal of a request for transition, the secretariat shall check the information provided in the request as soon as possible, and if the request is

²¹ Pursuant to decision 7/CMA.4, annex I, paragraphs 14(b)-(e) and 58.

complete, the secretariat shall reimburse the transition fee, if applicable, and take the following actions:

- (a) If the proponent requests the withdrawal prior to the publication of the additional documentation made in accordance with paragraph 28 above, the secretariat shall not mark the transition request as "withdrawn" on the UNFCCC website;
- (b) If the proponent requests the withdrawal after the publication of the additional documentation made in accordance with paragraph 28 above, the secretariat shall mark the transition request as "withdrawn" on the UNFCCC website.

Attachment 1. Form for transition request

CDM ac	ctiv	-	ransition request form ¹ ersion 01.0)
Type of transition request (Tick box(es))	_ _	Fina	nsition of CDM activity alization of provisional request ² For registration For issuance
Type of activity (Tick box(es))	 □ Project activity □ Programme of activities (PoA) □ Including component project activities (CPAs)³ 		
Title and UNFCCC reference number of activity			
Host Party(ies)			
Crediting period type and expiry date of the current crediting period (for a project activity or PoA) (Tick box(es)) (Indicate the hypothetical expiry date under the CDM rules in the DD/MM/YYYY format)		Rer	In the first crediting/PoA period expiring on In the second crediting/PoA period expiring on In the third crediting/PoA period expiring on In the fourth PoA period expiring on (applicable only for PoAs)

This form is to be filled, signed and submitted by the person authorized for scope (c) by the project participants of the CDM project activity or PoA as indicated in the modalities of communication submitted in accordance with the "CDM project cycle procedure for project activities" or "CDM project cycle procedure for programmes of activities" to the secretariat and to the host Party(ies) of the project activity or PoA by no later than 31 December 2023. The secretariat may convert this form into electronic interface for submission of transition requests, in which case, the signature will be replaced with electronically secure means.

Provisional requests for renewal will not be finalized under the transition process. Therefore, this form is not relevant.

³ CPAs already included in a CDM PoA may transition to the Article 6.4 mechanism only in conjunction with, or subsequent to, the transition of the PoA. Therefore, this box must be ticked if the project participant wishes the CPAs to also transition to the Article 6.4 mechanism.

	☐ Fixed, expiring on				
		CPA ref. #	Crediting period type (renewable or fixed)	Expiry date of the current crediting period	
Crediting period type and duration of activity (for CPAs)					
(Tick box(es))				_	
(Add rows as needed)					
	☐ Continue to apply the currently applied CDM methodology at transition				
Applied methodology	☐ Replace the currently applied CDM methodology with an Article 6.4 mechanism methodology at transition				
(Tick boxes)		☐ For project	ct activity		
		☐ For both F	PoA and all CPAs		
		☐ For only F	PoA ⁴		
	Da	ate (DD/MM/YYYY):			
I confirm that the crediting period or the PoA period of the activity was active as of 1 January 2021 and hereby submit request for transition to the Article 6.4 mechanism		mes of the enti	ty and the representativ	e of the project	
mechanism	Sig	gnature:			

⁴ For a PoA requesting transition, it is possible to voluntarily replace the currently applied CDM methodology with an Article 6.4 mechanism methodology at transition only for the PoA, while continuing to apply the currently applied CDM methodology for CPAs until either the end of the current crediting period or 31 December 2025, whichever is earlier.

Please write the name of the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) and the name of its representative as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the "CDM project cycle procedure for project activities" or the "CDM project cycle procedure for programmes of activities", respectively.

Attachment 2. Form for host Party approval

CDM activity transition approval form ¹ (Version 01.0)		
Type of transition request (Tick box(es))	 □ Transition of CDM activity □ Finalization of provisional request² □ For registration □ For issuance 	
Type of activity (Tick box(es))	 □ Project activity □ Programme of activities (PoA) □ Including component project activities (CPAs)³ 	
Title and UNFCCC reference number of activity		
Confirmation of receipt of transition request (Tick box to confirm)	☐ The transition request for this activity(ies) has been received by the host Party by 31 December 2023	
Confirmation on activity type (Tick box to confirm)	☐ The type of activity in the transition request is among the activity types that the host Party intends to approve as Article 6.4 mechanism activities⁴	
	Is the Project or PoA hosted in an LDC or SIDS:	

This form is to be filled, signed and submitted by the representative of the designated national authority for the Article 6.4 mechanism as notified to the UNFCCC secretariat by no later than 31 December 2025. The secretariat may convert this form into an electronic interface for the submission of the host Party approval, in which case, the signature will be replaced with electronically secure means.

Provisional requests for renewal will not be finalized under the transition process. Therefore, this form is not relevant.

³ CPAs already included in a CDM PoA may transition to the Article 6.4 mechanism only in conjunction with, or subsequent to, the transition of the PoA. Therefore, this box must be ticked if the host Party also approves the transition of the CPAs to the Article 6.4 mechanism.

In accordance with paragraph 26(e) of the annex to decision 3/CMA.3, the host Party shall indicate publicly to the Supervisory Body the types of Article 6.4 mechanism activity that it would consider approving and how such types of activity and any associated emission reductions would contribute to the achievement of its nationally determined contribution, if applicable, its long-term low greenhouse gas emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement. Paragraph 6 of annex I to decision 7/CMA.4 further elaborated that CDM project activities, PoAs and the CPAs therein, and activities in provisional requests that may transition to the Article 6.4 mechanism shall be among the activity types indicated by the host Party.

	☐ Yes ☐ No
Exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS ⁵	☐ The host Party chooses not to exempt the CDM project activities or PoAs and CPAs therein requesting transition from the share of proceeds for adaptation
Approving host Party	
	Date (DD/MM/YYYY):
I hereby approve the transition of the CDM activity to, or finalization	Name of designated national authority organization:
of the provisional request under, the Article 6.4 mechanism, subject to approval by the Supervisory Body	Name of representative of designated national authority:
	Signature:

This provision is only applicable to LDCs and SIDS and is to be checked if the LDC/SIDS hosting the CDM project activities or PoAs and CPAs therein chooses not to exempt the CDM project activities or PoAs and CPAs therein requesting transition from the share of proceeds for adaptation.

Attachment 3. Form for addendum

Addendum to design document for CDM activity transition request ¹ (Version 01.0)			
Title and UNFCCC reference number of activity			
	Provide a summary of the environmental and social impacts and sustainable development benefits of the transitioning clean development mechanism (CDM) activity, and attach to this form a report prepared in accordance with the "Standard: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as "transition standard"): 1. Environmental impacts		
Environmental and social impacts	2. Social impacts		
	3. Sustainable development benefits		
Non-permanence risk	☐ The transitioning activity uses fossil fuel for co-firing or as a backup fuel		

This form is to be filled in, signed and submitted by the person authorized for scope (c) by the project participants of the CDM project activity or programme of activities, as indicated in the modalities of communication submitted in accordance with the "CDM project cycle procedure for project activities" or "CDM project cycle procedure for programmes of activities" to the secretariat within 180 days of the publication of the host Party approval of the transition in accordance with the "Procedure: Transition of CDM activities to the Article 6.4 mechanism". The secretariat may convert this form into an electronic interface for the submission of this document, in which case the signature will be replaced with electronically secure means.

Revision of regulatory documents for the transition of CDM activities to the Article 6.4 mechanism Version 01.0

	If this box is ticked, describe the monitoring plan to account for emissions from the use of fossil fuel in accordance with the transition standard.
	☐ The transitioning activity applies one or more of the CDM methodologies listed as having a risk of negative emission reductions in paragraph 29 of the transition standard
	If this box is ticked, describe (i) the outcome of the assessment to determine whether there was any accrual of net negative emission reductions in the past; and (ii) the monitoring plan to take into account such negative emission reductions in emission reductions occurring from 2021 in accordance with the transition standard.
	☐ The transitioning activity applies one or more of the CDM methodologies listed as having a risk of non-permanence in paragraph 30 of the transition standard
	☐ The fraction of non-renewable biomass (fNRB) value and/or discount factor for addressing leakage have been re-evaluated based on the latest information.
	Describe the outcome of the re-evaluation:
	☐ Neither the fNRB nor the discount factor for addressing leakage are re-evaluated.
	☐ The transitioning activity is none of the above
Compliance with the registered	□ No post-registration change (PRC) occurred since 2021:
design document, including the application of the currently applied CDM methodology	I hereby confirm that the transitioning CDM activity has been implemented and monitored in accordance with the registered project design document (PDD), or programme of activities design document (PoA-DD) and component project activity

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Tick the applicable box	design documents (CPA-DDs), as displayed on the project information page on the UNFCCC CDM website, including the application of the currently applied CDM methodology.
	☐ A PRC occurred since 2021:
	I hereby confirm that I will seek approval of the PRC to the transitioning CDM activity under the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism) after its transition to the Article 6.4 mechanism, noting that the PRC may not be approved by the Supervisory Body for the Article 6.4 mechanism. This may impact the crediting of Article 6, paragraph 4, emission reductions for the activity occurring after the PRC.
	☐ Identification of risk of reversals:
	(Include the identification and justification of the risks of reversals that may be attributed to the CDM A/R project activity or CDM A/R PoA and CPAs herein, aligned with the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)
	☐ Reversal risk assessment:
Compliance with provisions of the	(Provide a reversal risk assessment in accordance with the relevant requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)
"Standard: Requirements for activities involving removals	☐ Reversal risk mitigation plan:
under the Article 6.4 mechanism" (Only applicable to A/R CDM project activities and A/R CDM A/R programmes of activities and component project activities therein)	(If a risk of non-permanence is identified, develop and implement a risk mitigation plan to address any risks identified through the reversal risk assessment, following the relevant provisions of the "Standard: Requirements for activities involving removals under the Article 6.4mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)
	☐ Remediation of reversals:
	(Describe the measures to be implemented to remediate reversals, including proactively mitigating reversal risks and avoiding reversals as per the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)
	□ Post-crediting period monitoring plan:
	(Describe the monitoring to be conducted after the end of the last active crediting period of the A/R CDM A/R project activity and CDM A/R PoA and CPAs therein, to assess whether any

	reversals have occurred, in accordance with the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)
	Date (DD/MM/YYYY):
I confirm that the information provided in this form is correct	Names of the entity and the representative of the project participants: ²
	Signature:

- - - - -

Please write the name of the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) and the name of its representative as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the "CDM project cycle procedure for project activities" or the "CDM project cycle procedure for programmes of activities", respectively.

Document information

Version	Date	Description
04.0	27 January 2025	Published as an annex to the annotated agenda of SBM 015. This version introduces a process for submitting and considering transition requests for CDM A/R project activities, PoAs, and CPAs, aligning with CMA.6 decision on removals under the Article 6.4 mechanism and addresses: Validation of removals requirements when mandatory for transitioning CDM A/R project activities/PoAs; Process of authorization of the use of A6.4ERs; Process of requesting exemption from the waiver from the share of proceeds for adaptation for LDCs and SIDS; Extended deadlines for revised documents during substantive checks; Provisions for responding to review issues; Clarification of conditional approval processes for SBM-proposed modifications; and Inclusion of appeal and grievance provisions.
03.0	18 July 2024	SBM 013, Annex 1. Revision to: • Amend the requirements for the transition of multi-country
		PoAs;Provide provisions for revising and withdrawing a transition request.
02.0	2 November 2023	SB 008, Annex 8
		Revision to:
		 Add a form for addendum to be used for submitting additional documentation as part of a transition request;
		Make editorial improvement.
01.0	13 July 2023	SB 006, Annex 2. Initial adoption.

Decision Class: Regulatory Document Type: Procedure Business Function: A6.4 activity cycle

Keywords: crediting period, project eligibility, transition of CDM activities to A6.4 mechanism

Appendix 2. Draft Standard: Transition of CDM activities to the Article 6.4 mechanism (version 03.0)

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1. Background

- 1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism). Chapter XI.A of the RMPs contains provisions that allow transition of project activities and programmes of activities (PoAs) registered under the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol or listed as provisional as per the temporary measures adopted by the Executive Board of the CDM² (hereinafter referred to as provisional requests) to the Article 6.4 mechanism.
- 2. The CMA, at its fourth session, elaborated key conditions and processes for such transition.³ At the same session, the CMA also requested⁴ the Supervisory Body to facilitate the tasks related to the transition of CDM activities to the Article 6.4 mechanism by:
 - (a) Developing and operationalizing a procedure for requesting transition, which includes relevant forms, by no later than June 2023;
 - (b) Developing and operationalizing the transition process and reporting back to the CMA at its fifth session.
- 2_{bis.} The CMA, at its sixth session,⁵ decided that afforestation and reforestation project activities and programmes of activities registered under the CDM may transition to the Article 6.4 mechanism and be registered as Article 6.4 activities. The CMA also elaborated key conditions for such a transition.
- 3. Pursuant to its mandate from the CMA to operationalize the transition process, the Supervisory Body has adopted the "Standard: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as this standard) as contained in this document and the "Procedure: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as the transition procedure) and relevant forms.

Decision 3/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1 available at: https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=25.

At its 108th meeting (see paragraphs 7–8 of the meeting report) and later clarified in the document entitled "Clarification: Regulatory requirements under temporary measures for post-2020 cases" available at http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220314132358671/Reg_Clar03v02.pdf.

Decision 7/CMA.4, annex I, chapter I, in document FCCC/PA/CMA/2022/10/Add.2 (Advance Version) available at: https://unfccc.int/sites/default/files/resource/cma2022 10a02 adv.pdf#page=33.

⁴ Decision 7/CMA.4, paragraph 23.

Decision -/CMA.6 "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" (Advance unedited version), Section VI. Transition of clean development mechanism activities, paragraph 21 (a-c). Available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf.

2. Objective and scope

4. This standard sets out required activity design and other attributes of CDM project activities, PoAs and component project activities (CPAs) therein that may transition to the Article 6.4 mechanism, as well as corresponding requirements for provisional requests that may be finalized under the Article 6.4 mechanism.

3. Entry into force

This version of this standard enters into force on 14 February 2025.1 January 2024 except for the process of submission of transition requests to the secretariat, which is 30 June 2023.

4. Terms and definitions

- 6. The following terms apply in this standard:
 - (a) "Shall" is used to indicate requirements to be followed;
 - (b) "Should" is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
 - (a) "May" is used to indicate what is permitted;
 - (c) "The project participant" shall be read as the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the "CDM project cycle procedure for project activities" and the "CDM project cycle procedure for programmes of activities", respectively.⁶
 - (d) "CDM project activity", "PoA" and "CPAs" encompass CDM emission reduction and A/R CDM activities, unless otherwise specified;
 - (e) "PDD", "PoA-DD" and "CPA-DD" encompass the respective forms for CDM emission reduction and A/R CDM activities, unless otherwise specified.

In accordance with paragraph 42 of the "CDM project cycle procedure for project activities" (version 03.0), and paragraph 33 of the "CDM project cycle procedure for programmes of activities" (version 03.0), the focal point entities designated by the project participants for scope (c) are granted the authority to communicate on their behalf with the Board and the secretariat on all other project-related matters not covered by: (a) communication in relation to requests for forwarding of certified emission reductions to individual accounts of the project participants; or (b) communication in relation to requests for addition and/or voluntary withdrawal of the project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures.

5. Transition requirements on crediting period

5.1. Project activities

- 7. A CDM project activity that is not an afforestation or reforestation project activity may transition to the Article 6.4 mechanism if its crediting period would have been active as of 1 January 2021 had the crediting period under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided it meets design requirements for transition as contained in section 6 below.
- 8. The crediting period type (i.e. renewable or fixed) of the transitioning CDM project activity shall not change at and after the transition.
- 9. For a CDM project activity with the renewable crediting period type that successfully transitioned to the Article 6.4 mechanism:
 - (a) The current crediting period under the Article 6.4 mechanism shall start on 1 January 2021 and end, whichever is earlier:
 - (i) When the current crediting period would have ended had the crediting period under the CDM continued after the end of the second commitment period of the Kyoto Protocol;
 - (ii) On 31 December 2025;
 - (iii) On the date determined under the conditions of the crediting period that may be specified by the host Party in accordance with paragraph 27(b) of the RMPs;
 - (b) The maximum remaining number of renewals of crediting period under the CDM prior to the transition shall be carried over to the Article 6.4 mechanism unless the host Party specifies that the crediting period may not be renewed pursuant to paragraph 27(b) of the RMPs;
 - (c) After the first renewal of the crediting period under the Article 6.4 mechanism, the duration of each subsequent crediting period shall be the same as that for any new Article 6.4 mechanism activities (A6.4 activities) (i.e. a maximum of 5 years or, for activities involving removals, 15 years), subject to approval by the Supervisory Body or any shorter crediting period specified by the host Party pursuant to paragraph 27(b) of the RMPs.
- 10. For a CDM project activity with the fixed crediting period type that successfully transitioned to the Article 6.4 mechanism, the current crediting period under the Article 6.4 mechanism shall start on 1 January 2021 and end, whichever is earlier:
 - (a) When the current crediting period would have ended had the crediting period under the CDM continued after the end of the second commitment period of the Kyoto Protocol;

The Supervisory Body, at its fifth meeting, agreed to postpone developing provisions specific to the transition of afforestation and reforestation CDM activities until the CMA provides guidance on activities involving removals under the Article 6.4 mechanism.

(b) On the date determined under the conditions of the crediting period that may be specified by the host Party in accordance with paragraph 27(b) of the RMPs.

5.2. Programmes of activities

- A CDM PoA that is not an afforestation or reforestation PoA may transition to the Article 6.4 mechanism if its PoA period would have been active as of 1 January 2021 had the PoA period under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided it meets design requirements for transition as contained in section 6 below.
- 12. For a CDM PoA that successfully transitioned to the Article 6.4 mechanism:
 - (a) The current PoA period under the Article 6.4 mechanism shall start on 1 January 2021 and end, whichever is earlier:
 - (i) When the current PoA period would have ended had the PoA period under the CDM continued after the end of the second commitment period of the Kyoto Protocol;
 - (ii) On 31 December 2025;
 - On the date determined under the conditions of the PoA period that may be specified by the respective host Party(ies) in accordance with paragraph 27(b) of the RMPs;
 - (b) The maximum remaining number of renewals of PoA periods under the CDM prior to the transition shall be carried over to the Article 6.4 mechanism unless the host Party specifies that the PoA period may not be renewed pursuant to paragraph 27(b) of the RMPs;
 - (c) After the first renewal of the PoA period under the Article 6.4 mechanism, the duration of each subsequent PoA period shall be the same as that for any new Article 6.4 mechanism PoAs (i.e. 5 years or, for activities involving removals, 15 years), subject to approval by the Supervisory Body or any shorter PoA period specified by the host Party pursuant to paragraph 27(b) of the RMPs.

5.3. Component project activities

- 13. The CPAs included in a CDM PoA that is eligible for transition in accordance with paragraph 11 above may transition to the Article 6.4 mechanism if their crediting periods would have been active as of 1 January 2021 had the crediting periods under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided they meet design requirements for transition as contained in section 6 below.
- 14. The transition of CPAs shall be in conjunction with or subsequent to the transition of the CDM PoA that they are included in, in accordance with the transition procedure.
- 15. The crediting period type, the end of the current crediting period, the renewability of the crediting period after transition, and the duration of each subsequent crediting period after the first renewal under the Article 6.4 mechanism of transitioning CPAs shall follow the same rules for transitioning CDM project activities referred to in paragraphs 8–10 above.

5.4. Activities in provisional requests

- 16. The crediting period type, the duration of each crediting period, and the renewability of the crediting period of the project activities in the provisional requests for registration shall follow the same rules for any new Article 6.4 mechanism projects.
- 17. The duration of each PoA period and the renewability of the PoA period of the PoAs in the provisional requests for registration shall follow the same rules for any new Article 6.4 mechanism PoAs.
- 18. The crediting period type, the duration of each crediting period, and the renewability of the crediting period of the CPAs in the inclusion listed as provisional under the temporary measures shall follow the same rules for any new Article 6.4 mechanism CPAs.

6. Transition requirements on activity design

6.1. Activity type

19. The activity type of a CDM project activity, or PoA and the CPAs therein, that may transition to the Article 6.4 mechanism shall be among those indicated publicly by the host Party to the Supervisory Body as it would consider approving pursuant to paragraph 26(e) of the RMPs.

6.2. Methodology

- 20. A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism may continue to apply the currently applied CDM methodology until the earlier of the end of the current crediting period or PoA period as applicable, or 31 December 2025. After that date, it shall apply an Article 6.4 mechanism methodology (hereinafter referred to as mechanism methodology).
- 21. For a CDM project activity or CPA with the fixed crediting period type, if the replacement of the currently applied CDM methodology with a mechanism methodology is due before the end of the current crediting period under the Article 6.4 mechanism, such replacement shall be made through the post-registration change process applicable to any new A6.4 activities.
- 22. Notwithstanding the provision in paragraph 20 above, if the currently applied CDM methodology does not meet the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs, it shall be replaced with a mechanism methodology.
- 23. A CDM project activity, or PoA and CPAs therein, may voluntarily replace the currently applied CDM methodology with a mechanism methodology at transition. Also, they may be required to do so in accordance with paragraph 22 above. In these cases, the project design document, or PoA design document and CPA design documents, shall be revised by the project participant, validated by a designated operational entity, and approved by the Supervisory Body in accordance with the transition procedure.

24. For a transitioning CDM PoA,:

(a) If the PoA continues to apply the currently applied CDM methodology at transition in accordance with paragraph 20 above, no new CPA may be included in the

- PoA until the PoA period is renewed under the Article 6.4 mechanism applying a mechanism methodology;
- (b) The mandatory replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 22 above shall be made to both the PoA and the CPAs therein at transition:
- (c) If the voluntary replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 23 above takes place at the PoA level at transition, any new CPAs that may be included after the transition shall apply the mechanism methodology, while the existing CPAs may choose to continue applying the currently applied CDM methodology until the earlier of the end of their respective current crediting periods or 31 December 2025, or switch to the mechanism methodology at transition;
- (d) If the voluntary replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 23 above takes place for any of the existing CPAs at transition, such voluntary replacement shall also take place at the PoA level at transition.
- 25. A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism are in compliance with the requirement of paragraph 31(a) of the RMPs regarding additionality of their mitigation of GHG emissions as long as they continue to apply the CDM methodology in accordance with paragraph 20 above. If the CDM methodology is replaced with a mechanism methodology mandatorily or voluntarily, additionality shall be demonstrated in accordance with the relevant requirements applicable to any new A6.4 activities.
- 25_{bis.} In addition to the provisions in paragraph 25 above, afforestation and reforestation CDM project activities, or PoAs and CPAs therein that may transition to the Article 6.4 mechanism shall comply with the applicable requirements for activities involving removals under the mechanism, as contained in the Supervisory Body "Standard: Requirements for activities involving removals under the Article 6.4 mechanism".
- 25_{ter.} CDM A/R projects, PoAs and CPAs therein, that may transition to the Article 6.4 mechanism shall comply with the following elements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism":
 - (a) Identification of risk of reversals: This shall include identification and justification of the risks of reversals that may be attributed to the A/R CDM project activity, or A/R CDM PoA and A/R CPAs therein, aligned with the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body. The risks of reversals may be related, inter alia, to:
 - (i) Activity finance and management, asset ownership, and rising opportunity costs;
 - (ii) Regulatory uncertainty and social instability, political, governance and legal risks, acts of terrorism, crime, and war;

- (iii) Natural disturbances and extreme events such as fires, pests, droughts, hurricanes, floods, landslides, earthquakes, volcanic eruptions, and geological faults and fractures;
- (iv) Climate change impacts exacerbating any of the above risks.
- (b) Reversal risk assessment: This assessment shall be undertaken in accordance with the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body. The assessment shall calculate an overall percentage-based risk rating that accounts for both avoidable and unavoidable reversals, taking into account, inter alia, the nature, magnitude, likelihood, and duration of the risks;
- (c) Reversal risk mitigation plan: If a risk of non-permanence is identified, the project participants shall develop and implement a risk mitigation plan, aligned with the corresponding eligibility criteria, to address any risks identified through the reversal risk assessment. This plan shall follow the relevant provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.
- (d) Remediation of reversals: The project participants shall describe the measures to be implemented to remediate reversals aligned with the corresponding eligibility criteria, including proactive measures to mitigate reversal risks and avoid reversals, as per the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body;
- (e) **Post-crediting period monitoring plan:** The project participants shall describe the monitoring to be conducted after the end of the last active crediting period of the A/R CDM project activity, or A/R CDM PoA and A/R CPAs therein, to assess whether any reversals have occurred. This monitoring shall be in accordance with the requirements of the selected methodology and/or standardized baseline, the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body.

6.3. Global warming potentials

- 26. For transitioning CDM project activities, PoAs and CPAs therein, the 100-year time-horizon global warming potentials (GWPs) from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) as contained in the attachment, or 100-year time-horizon GWPs from a subsequent IPCC assessment report as agreed upon by the CMA, shall be used to report aggregate emission reductions of greenhouse gases achieved or expected to achieve in the period from 1 January 2021, expressed in tonnes of carbon dioxide equivalent. This requirement shall be consistently applied to all aspects of the activity design, including for:
 - (a) Estimation of emission reductions each year during the crediting period;

- (b) Calculation of transition fee in accordance with the transition procedure;
- (c) Demonstration of additionality, if applicable;
- (d) Calculation of emission reductions achieved for a specific monitoring period.

6.4. Other design requirements

6.4.1. Long-term benefits related to climate change

27. A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism is in compliance with the requirement of paragraph 31(d)(i) of the RMPs regarding delivering long-term benefits related to climate change referred to in paragraph 37(b) of decision 1/CP.21 if the host Party approves the transition and the activity complies with the methodological conditions that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.

6.4.2. Addressing non-permanence risk

- 28. The project participant of a CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall determine whether the use of fossil fuels for co-firing or as a backup fuel is possible, and whether existing monitoring plan of the activity takes into account emissions from the use of such fossil fuels.
- 29. If a CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism applies one or more of the following CDM methodologies identified as having a risk of negative emission reductions, the project participant shall assess all the monitoring reports of the activity(ies) beginning from the start of the crediting period of the activity(ies) under the CDM, to determine if there was any accrual of net negative emission reductions and ensure that such negative emission reductions, if any, are to be taken into account in emission reductions occurring from 2021:
 - (a) ACM0005: Increasing the blend in cement production;
 - (b) ACM0006: Consolidated methodology for electricity and heat generation from biomass;
 - (c) ACM0017: Production of biodiesel for use as fuel;
 - (d) ACM0018: Electricity generation from biomass residues in power-only plants;
 - (e) ACM0020: Co-firing of biomass residues for heat generation and/or electricity generation in grid connected power plants;
 - (f) ACM0022: Alternative waste treatment processes;
 - (g) AM0036: Fuel switch from fossil fuels to biomass residues in heat generation equipment;
 - (h) AM0057: Avoided emissions from biomass wastes through use as feed stock in pulp and paper, cardboard, fibreboard or bio-oil production;

- (i) AM0061: Methodology for rehabilitation and/or energy efficiency improvement in existing power plants;
- (j) AM0094: Distribution of biomass based stove and/or heater for household or institutional use:
- (k) AM0108: Interconnection between electricity systems for energy exchange.
- 30. If a CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism, applies one or more of the following CDM methodologies as having a risk of non-permanence of emission reductions, the project participant is encouraged to ensure the fraction of non-renewable biomass value and the discount factor for addressing leakage are based on the latest data and information:
 - (a) AMS-I.E: Switch from non-renewable biomass for thermal applications by the user;
 - (b) AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass;
 - (c) AMS-III.AV: Low greenhouse gas emitting safe drinking water production systems;
 - (d) AMS-III.BG: Emission reduction through sustainable charcoal production and consumption.

6.4.3. Environmental and social impacts

- 31. The project participant of a CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall analyse environmental and social impacts and sustainable development benefits of their operation, and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during the operation of the activity, in accordance with the "Article 6.4 sustainable development tool".
- 32. Notwithstanding paragraph 31 above, if the forms referred to in the Article 6.4 sustainable development tool If the tool referred to in paragraph 31 above is not available (e.g., Article 6.4 Environmental and Social Safeguards Risk Assessment Form; Article 6.4 Sustainable Development Tool Form; and Article 6.4 Environmental and Social Management Plan Form) are not made publicly available on the website at the time of the submission of additional documentation to the secretariat to initiate its processing of the transition request in accordance with the transition procedure, the project participant shall prepare a "Sustainable development co-benefits description report" in accordance with the "Sustainable development co-benefits tool" developed under the CDM.8 In this case, the project participant shall additionally develop a document describing how the project participant intends to monitor sustainable development co-benefits of the activity, including a monitoring procedure, sources of information and data and frequency of reporting of monitoring results. Such identified co-benefits should be appropriately justified in the SD report and Addendum.

⁸ Available at: https://www4.unfccc.int/sites/sdcmicrosite/Pages/SD-Tool.aspx.

Notwithstanding paragraph 32 above, CDM A/R projects, PoAs and CPAs therein, that may transition to the Article 6.4 mechanism shall comply with the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism", which mandate compliance with the Article 6.4 sustainable development tool.

6.5. Activities in provisional requests

- 33. For provisional requests for registration and provisional inclusions of CPAs, the same requirements on the activity type, applicable methodology and GWPs, and other design requirements as for transitioning CDM project activities, PoAs and CPAs referred to in sections 6.1–6.4 above shall apply mutatis mutandis.
- 34. For provisional requests for issuance, provided that the underlying CDM project activity or PoA has successfully transitioned to the Article 6.4 mechanism without replacing the currently applied CDM methodology, the calculation of achieved emission reductions shall be revised by applying the GWPs referred to in section 6.3 above. If the underlying CDM project activity or PoA replaced the currently applied CDM methodology with a mechanism methodology at transition mandatorily or voluntarily in accordance with paragraph 22 or 23 above, respectively, provisional requests for issuance shall not be eligible for finalization under the transition procedure. Such issuance requests shall follow the same rules for any new issuance requests under the Article 6.4 mechanism.
- 35. Provisional requests for renewal of crediting period may not be finalized under the transition process.

Attachment. Global warming potentials for transitioning activities

The table below lists the GWP values of greenhouse gases for the 100-year time horizon from the Fifth Assessment Report of the IPCC, applicable to CDM activities that transition to the Article 6.4 mechanism for reporting aggregate emission reductions of greenhouse gases achieved or expected to be achieved by the activities in the period from 1 January 2021, expressed in tonnes of carbon dioxide equivalent.

Table. Global warming potentials applicable for transitioning CDM activities

Greenhouse gas	GWP for 100-year time horizon
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	28
Nitrous oxide (N ₂ O)	265
Hydrofluorocarbons (HFCs)	
HFC-23	12,400
HFC-134a	1,300
Perfluorocarbons (PFCs)	
CF ₄	6,630
C ₂ F ₆	11,100
Sulfur hexafluoride (SF ₆)	23,500
Nitrogen trifluoride (NF ₃)	16,100

2. For greenhouse gases that are not listed in this table, see "Climate Change 2015: Physical Science Basis – Working Group I Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change", Table 8.A.1 (pages 731–738).

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https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5 all final.pdf.

Document information

Version	Date	Description
03.0	27 January 2025	Published as an annex to the annotated agenda of SBM 015. This version incorporates additional requirements for transitioning CDM A/R project activities, PoAs and CPAs therein to align with the CMA.6 decision on removals under the Article 6.4 mechanism. It also updates provisions for applying the Article 6.4 Sustainable Development Tool requirements to these transitions, as outlined in paragraph 21 of the SBM 014 report.
02.0	2 November 2023	SB 008, Annex 7. Revision to: • Elaborate requirements for addressing non-permanence risk and assessing and monitoring environmental and social impacts;
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