

DRAFT TEXT

on

SBSTA 60 agenda item 13(b)

Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3

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Elements for a draft decision on further guidance on the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the aims for the mechanism referred to in the same paragraph,

Also recalling Article 6, paragraph 1, of the Paris Agreement,

Further recalling the eleventh preambular paragraph of the Paris Agreement, according to which, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

Recalling decisions 3/CMA.3 and 7/CMA.4, including their annexes,

Also recalling that, pursuant to decision 2/CMA.3, annex, paragraph 1(g), Article 6, paragraph 4, emission reductions, when they are authorized for use towards achievement of nationally determined contributions and/or authorized for use for other international mitigation purposes, are internationally transferred mitigation outcomes and, therefore, relevant guidance under Article 6, paragraph 2, of the Paris Agreement applies,

I. [Authorization of Article 6, paragraph 4, emission reductions

Option 1:

1. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the administrator of the Article 6, paragraph 4, mechanism registry (mechanism registry) shall, at the time of the issuance of Article 6, paragraph 4, emission reductions (A6.4ERs), assign their authorization status in accordance with the statement by the host Party provided to the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and *encourages* the host Party to provide to the Supervisory Body the statement on the authorization of A6.4ERs no later than at issuance;

Option 2:

2. *Recalls* that, pursuant to decision 3/CMA.3, annex, paragraph 42, the host Party shall provide a statement to the Supervisory Body specifying whether it authorizes A6.4ERs for the activity for use towards the achievement of nationally determined contributions and/or for other international mitigation purposes as defined in decision 2/CMA.3;

Option 3:

3. *Recalls* that, pursuant to decision 3/CMA.3, annex, paragraph 55, the mechanism registry shall distinguish A6.4ERs that are authorized for use towards the achievement of nationally determined contributions and/or for other international mitigation purposes pursuant to decision 3/CMA.3, annex, chapter V.C (Approval and authorization), including any specified uses for which the A6.4ERs are authorized;

Option 1:

4. *Clarifies* that, if [the host Party has decided not to provide an authorization statement to the Supervisory Body] [no authorization statement has been provided by the host Party to the Supervisory Body] at the time of issuance of A6.4ERs, the mechanism registry administrator shall assign their status as mitigation contribution A6.4ERs;

Option 2:

5. *Clarifies* that, if no authorization statement has been provided by the host Party, pursuant to decision 3/CMA.3, annex, paragraph 42, issuance of A6.4ERs does not occur;

Option 3:

6. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the mechanism registry administrator shall, at the time of the issuance of A6.4ERs, assign their authorization status in accordance with the statement by the host Party provided to the Supervisory Body;

Option 4:

7. *Clarifies* that the host Party may provide a statement on the authorization of A6.4ERs to the Supervisory Body at the time of issuance, or post issuance of mitigation contribution A6.4ERs;

Option 5:

8. *Clarifies* that the authorization shall be provided by the host Party to the Supervisory Body pursuant to decision 2/CMA.3, annex, paragraph 2, and that the authorization of mitigation contribution A6.4ERs may be provided at any time;

Option 6: {No text required}

Option 1:

9. *Decides* that the host Party may authorize for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, mitigation contribution A6.4ERs already issued by providing to the Supervisory Body a statement of authorization prior to any transactions in the mechanism registry [or any transfers out of the mechanism registry] and applying the requirements for corresponding adjustments with respect to the mitigation contribution A6.4ERs already forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39, and cancelled to deliver overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40;

Option 2:

10. *Decides* that the host Party may authorize for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, subject to decision 2/CMA.3, annex and decision 18/CMA.1;

Option 3:

11. *Decides* that the host Party may authorise for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, mitigation contribution A6.4ERs already issued, by providing to the Supervisory Body a statement of authorization prior to or at the time of transactions in the mechanism registry and applying the requirements for corresponding adjustments with respect to the mitigation contribution A6.4ERs already forwarded for share of proceeds for adaptation pursuant to paragraph 39 and cancelled to deliver overall mitigation in global emissions pursuant to paragraph 40 of annex I of decision 7/CMA.4.

Option 4:

12. *Decides* that the host Party may authorize for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, mitigation contribution A6.4ERs already issued by providing to the Supervisory Body a statement of authorization at the time of transactions in the mechanism registry;

13. *Decides* that the host Party shall apply the requirements for corresponding adjustments with respect to the mitigation contribution A6.4ERs already forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39, and cancelled to deliver overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40;

Option 5: {No text required}

Option 1:

14. *Requests* the Supervisory Body to establish the necessary guidelines to operationalize paragraph 9 above [and report back on this matter to] [for adoption by] the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025), with a view to ensuring that:

(a) The respective mitigation contribution A6.4ERs are still held by the mitigation activity participants and have not been transacted in the mechanism registry or out of the mechanism registry;

(b) Corresponding adjustments pursuant to decision 2/CMA.3, annex, chapter III (Corresponding adjustments), are applied by the host Party as if the authorization had been provided prior to issuance;

(c) The respective shares of proceeds received by the Adaptation Fund pursuant to decision 3/CMA.3, annex, chapter VII (Levy of share of proceeds for adaptation and administrative expenses), are comprised of authorized A6.4ERs rather than mitigation contribution A6.4ERs;

Option 2: {No text required}

Option 1:

15. *Clarifies* that the statement of authorization referred to in paragraph 9 above [should] [shall] include relevant information contained in paragraph X of decision -/CMA.6 in order to enable the identification of authorized A6.4ERs in the mechanism registry;

Option 2: {No text required}

Option 1:

16. *Decides* that any changes to the statement of authorization referred to in paragraph 9 above shall be consistent with paragraph X of decision -/CMA.6 with respect to authorized A6.4ERs;

Option 2:

17. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue considering the potential scope of changes to the statement of authorization referred to in paragraph 9 above, including of internationally transferred mitigation outcomes towards use(s), as well as the process for managing them which avoids double counting, as part of the review of the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (mechanism) to be conducted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);¹

Option 3:

18. *Decides* that the first transferring Party may revise and revoke the authorization of A6.4ERs at any time;

Option 4: {No text required}

19. *Recognizes* that the authorization of A6.4ERs is a national prerogative and should be host Party driven process, which may be undertaken by host Parties as one consolidated process by submitting an authorization statement which should include information on authorization pursuant to decision 2/CMA.3, annex, paragraph 18(g);]

¹ Decision 3/CMA.3, paras. 10–11.

II. Article 6, paragraph 4, mechanism registry

Option 1:

20. *Decides* that, [in addition to enabling the ability to pull and view data and information² on holdings and the action history of authorized A6.4ERs,] the Article 6.4 mechanism registry shall, consistent with the interoperability arrangements applicable to all registries as described in decision 6/CMA.4, annex I, chapter I.B (Interoperability), and other relevant future decisions of the CMA, enable the transfer of [authorized] A6.4ERs to [the international registry and to] participating Party registries that request connection [to the Article 6.4 mechanism registry] and demonstrate that their registry performs the necessary functions for the transparent [acquisition,] holding, transfer, retirement and/or cancellation of A6.4ERs and maintains robust protocols for data transfer and security consistent with in decision 7/CMA.4, annex I, paragraph 27;

Option 2:

21. *Decides* that, in addition to enabling the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs, the mechanism registry shall enable the transfer of:

(a) A6.4ERs from the Article 6.4 mechanism registry accounts to a standalone Party-administered registry that request this connection and demonstrate that the registry performs the necessary functionalities for the transparent creation and/or acquisition and holding, and transfer and retirement and/or cancellation of A6.4ERs;

(b) Authorized A6.4ERs from the Article 6.4 mechanism registry accounts to a Party-specific extension of the international registry that functions as part of the Article 6.4 mechanism registry, which shall supports the acquisition, holding, transfer, and cancellation or retirement of authorized 6.4 ERs for Parties that request such services;

Option 3:

22. *Decides* that the international registry will enable the ability to pull and view and no transfer of 6.4ERs to the international registry or to national registries;

Option 4: {No text required}

III. Emission avoidance and conservation enhancement activities

Option 1:

{Placement option: the text could be addressed in the draft conclusion of this session }

23. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue consideration of whether activities under the mechanism (Article 6, paragraph 4, activities) could include emission avoidance and conservation enhancement activities as part of the review of the rules, modalities and procedures for the mechanism to be conducted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session;³

Option 2:

24. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue its consideration of whether Article 6, paragraph 4, activities could include emission avoidance and conservation enhancement activities, as part of the review of the rules, modalities and procedures for the mechanism to be conducted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);

25. *Decides* that until the review referred to in paragraph 23 above is completed, Article 6, paragraph 4, activities shall not include emission avoidance or conservation enhancement activities;

² Pursuant to decision 3/CMA.3, annex, para. 63, and decision 6/CMA.4, annex I, para. 24.

³ Decision 3/CMA.3, paras. 10–11.

Option 3: {*No text required*}

IV. National arrangements

{*Placement option: the text could be addressed in the draft conclusion of this session*}

26. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop recommendations on further responsibilities of the Supervisory Body and of Parties that host Article 6, paragraph 4, activities in order for such host Parties to elaborate on and apply national arrangements for the mechanism under the approval and supervision of the Supervisory Body, as part of the review of the rules, modalities and procedures, for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session as part of its review of the rules, modalities and procedures for the mechanism at that session;⁴

V. [Share of proceeds for adaptation

27. *Decides* that notwithstanding decision 3/CMA.3, annex, paragraph 66, and in recognition of the special circumstances of the least developed countries, a least developed country Party may elect to apply a levy on the share of proceeds to meet the costs of adaptation and to direct that levy to a national adaptation fund;

28. *Also decides* that the levy referred to in paragraph 27 above shall be equivalent to 5 per cent of the A6.4ERs at issuance;

29. *Further decides* that any least developed country that elects to direct the share of proceeds to a national adaptation fund shall inform the Supervisory Body that it has elected to take such action, as specified in paragraph 27 above;]

VI. [Transition of clean development mechanism afforestation and reforestation activities

30. *Decides* that afforestation and reforestation project activities and programmes of activities registered under the clean development mechanism may transition to the mechanism established by Article 6, paragraph 4, of the Paris Agreement and be registered as Article 6, paragraph 4, activities subject to the following conditions being met:

(a) The request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities being made to the secretariat and the clean development mechanism host Party, as defined by decision 3/CMP.1, by or on behalf of the project participants by no later than 31 December 2025;

(b) The clean development mechanism afforestation and reforestation project activity or programme of activities complies with the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement; the respective applicable requirements for activities involving removals under the mechanism contained in annex II; and any future relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;]

VII. [Baseline methodologies

31. *Requests* the Supervisory Body, while developing the tools and guidelines related to the baselines, to prioritize aggregation of the baselines as per decision 3/CMA.3, annex, paragraph 37;]

⁴ Decision 3/CMA.3, paras. 10–11.

VIII. Other matters

32. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs X–X above;

33. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.
