

## 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), A6.4ERs, 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 A: {SBSTA's Chair informal note text}**

#### **A. Timing of authorization**

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

#### **B. Statement of authorization**

2. *Clarifies* that if no statement has been provided at the time of issuance, the mechanism registry administrator shall assign the status mitigation contribution A6.4ERs;

#### **C. Changes of authorization**

3. *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;

4. *Also decides* that any changes to the statement of authorization referred to in paragraph 3 above shall be consistent with decision -/CMA.6, paragraph X, with respect to authorized A6.4ERs;

#### **D. Process of change**

5. *Requests* the Supervisory Body to establish the necessary guidelines for operationalizing paragraph 3 above and report back on this matter to 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 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 are comprised of authorized A6.4ERs rather than mitigation contribution A6.4ERs;

#### **E. Content of authorization statement**

6. *Clarifies* that the statement referred to in paragraph 3 above should include relevant information contained in decision -/CMA.6, paragraph X, in order to enable the identification of authorized A6.4ERs in the mechanism registry;

##### **Option B: {Alternative text proposals}**

#### **A. Timing of authorization**

**Option 1:** {Reference to authorization as per decision 7/CMA.4, annex I, paragraph 38, with stipulation of timing of the authorization and the mandate of SBSTA as per decision 7/CMA.4, paragraph 9(c), for authorization}

7. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the Article 6.4 mechanism registry administrator shall, at the time of issuance of A6.4ERs, assign their authorization status in accordance with the statement by the host Party provided to the Supervisory Body;

8. *Also recalls* decision 7/CMA.4, paragraph 9(c), *decides* that the host Party shall provide to the Supervisory Body the statement on the authorization of A6.4ERs no later than at issuance and *encourages* its provision as early as possible;

**Option 2:** {Reference to authorization as per decision 3/CMA.3, annex, paragraph 42, and decision 7/CMA.4, annex I, paragraph 38}

9. *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;

10. *Also recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the Article 6.4 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 3:** *{Reference to authorization as per decision 7/CMA.4, annex I, paragraphs 38, and decision 3/CMA.3, annex, paragraph 55}*

11. *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;

12. *Also 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 4:** *{Flexibility for timing of authorization}*

13. *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;

## **B. Statement of authorization**

**Option 1:** *{Issuance of mitigation contribution A6.4ERs, when statement of authorization is not provided.}*

14. *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 [provided that the host Party has approved the activity];

**Option 2:** *{No issuance, when statement of authorization is not provided.}*

15. *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:** *{No text required}*

## **C. Changes of authorization**

**Option 1:** *{No changes}*

16. *Decides* that there shall be no change to the authorization status of A6.4 ERs once issued.

**Option 2:** *{Changes possible prior to the first transfer}*

17. *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 [and pursuant to decision 18/CMA.1], 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 3:** *{Changes possible at the time of transaction}*

18. *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 or at the time of transactions in the mechanism registry;

19. *Also 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 4:** *{Post issuance authorization}*

20. *Decides* that when the Supervisory Body approves the issuance of mitigation contribution A6.4ERs pursuant to decision 3/CMA.3, annex, paragraph 53, the mechanism registry administrator shall, in accordance with relevant requirements adopted by the Supervisory Body, issue the A6.4ERs into and hold them in the pending account of the mechanism registry and then assign the authorization status of the A6.4 ERs only after a statement of authorization is provided by the host Party;

**Option 5:** *{Authorization of the share of A6.4ERs forwarded for SOP and cancelled for OMGE}*

21. *Decides* that all A6.4ERs 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, shall be authorized and correspondingly adjusted and the forwarding and the cancellation shall be effected at first transfer, as per decision 3/CMA.3, annex, section J (First transfer from the mechanism registry);

**Option 6:** *{Changes to be consistent with 6.2}*

22. *[[Decides] [Recalls]* 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 7:** *{SBSTA to defer consideration to review}*

23. *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 to be initiated by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);<sup>1</sup>

**Option 8:***{Changes possible at any time}*

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

**Option 9:** *{No text required}*

## **D. Process of change**

**Applicable in conjunction with Option 2 in section C:** *{Guidance to the Supervisory Body to operationalize authorization}*

25. *Requests* the Supervisory Body to establish the necessary guidelines for operationalizing 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;

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<sup>1</sup> Decision 3/CMA.3, paras. 10–11.

(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}

## E. Content of authorization statement

**Option 1:** {Cross-reference to the A6.2 text on elements for authorization for consistency}

26. [Clarifies that the statement of authorization referred to in paragraph 9 above [should] [shall] include relevant [elements] [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}

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

## II. Article 6, paragraph 4, mechanism registry

**Option 1:** {transfers between registries}

### Option A

28. Recalls decision 6/CMA.4, annex I, paragraphs 9, 10 and 23, regarding the interoperability of participating Party registries and the connection of the Article 6.4 mechanism registry to the international registry;

29. Decides that, [in addition to enabling the ability to pull and view data and information<sup>2</sup> 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 decision 7/CMA.4, annex I, paragraph 27;

### Option B

30. Recalls decision 6/CMA.4, annex I, paragraph 23, which states that the mechanism registry shall be connected to the international registry referred to in decision 2/CMA.3, annex, paragraph 30, and that the connection shall, at a minimum, enable the functions referred to in decision 6/CMA.4, annex I, paragraphs 9–10;

31. Clarifies that the Article 6.4 mechanism registry connection to the international registry shall enable the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs and on the transfer of authorized A6.4ERs (internationally transferred mitigation outcomes) to the international registry, 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;

32. Decides that participating Party registries, as referred to in decision 2/CMA.3, annex, paragraph 29, may voluntarily connect to the Article 6.4 mechanism registry, and the

<sup>2</sup> Pursuant to decision 3/CMA.3, annex, para. 63, and decision 7/CMA.4, annex I, para. 49.

connection shall enable the transfer of authorized A6.4ERs, consistent with decision 6/CMA.4, annex I, chapter I.B (Interoperability), paragraphs 9–10, and the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs;

**Option 2: {extension of the international registry that functions as part of the Article 6, paragraph 4. mechanism registry}**

33. *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 stand-alone Party-administered registry that requests this connection and demonstrates 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 support the acquisition, holding, transfer, and cancellation or retirement of authorized 6.4 ERs for Parties that request such services;

**Option 3: {no transfers}**

34. *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. [Share of proceeds for adaptation**

35. *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;

36. *Also decides* that the levy referred to in paragraph 34 above shall be equivalent to 5 per cent of the A6.4ERs at issuance;

37. *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 34 above;]

### **IV. [Transition of clean development mechanism afforestation and reforestation activities**

38. *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;]

## V. [Baseline methodologies]

39. *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;]

## VI. Other matters

40. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

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

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